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# FINANCIAL TIMES

No. 26,973 Wednesday May 19 1976 \*\*\*10p

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## NEWS SUMMARY

### GENERAL

#### Thorpe 'dossier seen' in S. Africa

Britain describing himself as an ex-USAF intelligence officer said last night that he had seen 5 dossiers on prominent British Liberals at the Pretoria headquarters of Boss, the South African security service.

Lt-Colonel Frederick Chessman told the Press Association that the politicians included Jeremy Thorpe, Cyril Smith, Richard Wainwright and possibly David Steel. The South Africans requested his advice on how to handle the dossiers "could be best used to disrupt the Liberal Party."

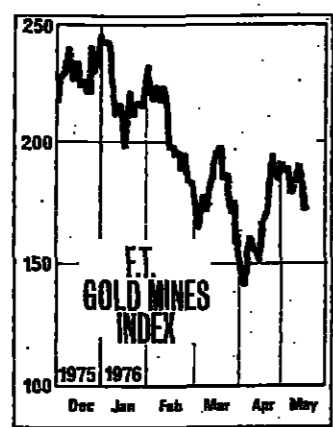
The claim followed yesterday's announcement by South Africa that it was recalling Mr. J. L. M. van der Merwe, its ambassador in London, who is alleged to have tried to obtain a pornographic film involving a leading British politician.

### BUSINESS

#### Gilts and equities improve; £ firmer

GILTS were in demand. Longs closed at the day's best with gains ranging to 3, while shorts rose by up to 1. Government Securities Index added 0.40 at 63.51.

EQUITIES took their cue from gilts in quiet trading. The FT 30-share index gained 4.2 at 403.2. The Oils sector, up 0.4 per cent. at 390.98, hit a 1976 peak. Insurance Brokers



#### Leehan may be freed to-day

r. Patrick Leeahan, serving a 10-year sentence for a murder he says he did not commit, may be freed from Peterhead prison today, his solicitor suggested in Glasgow last night.

#### Ikomo sees PM

r. Joshua Nkomo, the Zambian nationalist leader, had talks yesterday with Mr. Ian Smith, the Prime Minister, in Salisbury, Rhodesia, to discuss the release of 10 more soldiers who were reported killed by guerrillas. Feature Page 5.

#### celand MPs' move on Nato

icelandic MPs tabled a resolution urging the recall of the country's ambassador from the 20th headquarters in Brussels to protest at Britain's violation of air country's 200-mile fishing limit.

#### RA arms' swoop

John Banks, who recruited mercenaries for Angola, was one of five men helping police with a search for arms last night about the IRA splinter group in Britain. A 4th man, held after a swoop at a West End hotel, was released after questioning.

#### Onehouse burst

an emotional outburst at the Bank of England yesterday, Mr. John Onehouse said he was too upset to go on his defence because his identification correspondence had been allegedly thrown out while he was in Australia. But Mr. Onehouse refused to grant an adjournment.

#### James vote wins

Government had a majority of 10 in the debate on the council house sales for its 10th year. (Voting was 287-257).

#### yan fails

an Premier Major Jaffoud failed to ease the tension between Syria and the Lebanese. In Jerusalem, another Arab in anti-Israel rioting. Three Israelis were killed in a clash with the River Jordan. Middle East Page 5.

#### efly

earth tremors struck Soviet Asia while relief teams tried to remove towns hit by last night's powerful earthquake, reported.

r was killed 500 feet below ground at Stately Collier, Workington.

by 200 Reading children are from three schools with food-poisoning.

a police shot dead six men who ran-acked their way after escaping from

### EF PRICE CHANGES YESTERDAY

(in pence unless otherwise indicated)

RISES	FALLS
gr. Sps 78-79, 1921 + 1	Walker Sons (U.K.) 16 - 1
ary 122pe 1983, 1986 + 2	1ASMO/SCOT tops 215 - 1
ry 135 + 5	P. Cement 456 + 4
ys Bank 292 + 4	Posidon 235 + 5
... 309 + 4	
eXcel 69 + 3	
Surical 37 + 3	
icurities 11 + 4	
135 + 5	
h Kier 181 + 3	
(P. G.) 95 + 8	
... 326 + 6	
(U. R.) 408 + 14	
Robinson 182 + 6	
ervey 47 + 3	
ews Wrigthson 214 + 12	
erd (E.) 52 + 5	

## Price Code needs modifying Callaghan agrees

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

The Government recognised that the Price Code needed modification, the Prime Minister said last night. He went on to outline the main changes to take effect in August.

Mr. Callaghan, speaking at the annual dinner of the Confederation of British Industry, promised early discussions about what should happen when the present price legislation expires.

"The background to these discussions will be the need for industry to plan on a long-term basis, as well as the need to take account of the legitimate concerns of consumers about price levels," he added.

The Prime Minister said changes to the code for 1976-77 would include:

1. "Additional provisions which will help stimulate investment in our own economy and in jobs for our own people."
2. "There will be changes to help offset the effects of inflation on the depreciation of assets and stock appreciation."
3. "The productivity deduction will be reviewed."
4. "There will be other steps designed to deal with the way in which the Price Code penalises firms when their output expands or when they cut costs."
5. "It is proposed to alter the way in which firms are categorised at present in order to take account of inflation and to ease the administration of the controls."

Mr. Callaghan maintained that like pay agreements, the Price Code had disadvantages "but nevertheless, against the background of the situation, there is no doubt that the code itself must continue."

Earlier, Sir Ralph Bateman, speaking on the last day of his two-year term as CBI president, made industry's viewpoint clear.

All other Government action would fail unless the Price Code was either abolished or substantially changed, he insisted.

The essentials of our arguments are that the provisions of the Price Code prevent internal generation of cash for re-investment and make companies so inadequately profitable that they cannot afford to "borrow" for investment.

"The code stands in the way of investment for increased productivity and cost reduction and it prevents employment. We believe that it would be in the interests of everyone in the country for the code to be amended so as to prevent these ill effects."

"If such amendments are made, industry will not be slow to respond," Sir Ralph promised.

In 1976 prospects for investment were improving "but many investment decisions have been based on the assumption that the Price Code will have been changed drastically before they are made."

In a speech which dealt with a variety of topics in a forthright way, Sir Ralph was particularly outspoken in discussing problems of inflation.

"My view is that inflation is the direct consequence of the policies of governments and that the cure is the responsibility of government."

## Soviets spending more on arms than estimated

BY MALCOLM RUTHERFORD

SOVIET MILITARY expenditure has been running at between 11 and 12 per cent of Gross National Product for the past ten years — well above the level of any Western country and also of previous Western estimates, according to Mr. Roy Mason, Defence Secretary.

Mr. Mason said in a written Parliamentary answer last night that the preliminary results of new studies indicated that Soviet military spending in 1975 alone amounted to over 50bn. roubles and that for many years defence expenditure had been growing by an average annual rate of 4 per cent in real terms.

Various conclusions may be drawn from the new estimates, the most obvious of which is the very high priority which the Soviet leadership has been prepared for many years, to devote to defence spending.

The estimates do not suggest, however, that the Soviet Union is militarily any more powerful than had previously been thought. On the contrary, they indicate that the military production machine is considerably less efficient and may share in some of the shortcomings of the civilian sector.

The 11-12 per cent figure for the share of GNP compares with earlier British estimates of about 7 per cent. The total 50bn. rouble figure for 1975 spending is about three times the officially published Soviet figure of 17.4bn. roubles.

The new British estimates, which are similar to some recent work done in the U.S., also contrast sharply with Soviet claims that military spending in 1974 and 1975 actually declined and in 1976 is being held steady.

### DEFENCE EXPENDITURE AS PERCENTAGE OF GNP (1975 estimates)

Country	Percentage
Britain	5.7
France	4.6
Italy	2.8
W. Germany*	5.0
U.S.	6.7
S. Union	11-12

\* Includes expenditure on Berlin

By comparison, U.S. spending as a share of GNP last year was 6.7 per cent, and the comparable figures for Britain and West Germany were 5.7 and 5 per cent, respectively (including, in the latter case, expenditure on Berlin).

Western analysts have for some time been warning of the danger of Soviet spending hard to reconcile with the large and observable increase in Soviet spending hard to reconcile with the large and observable increase in Soviet military capabilities in recent years, even allowing for the fact that only 7-8 per cent of spending goes on pay and allowances as against 42.5 per cent, in West Germany.

The new estimates have been arrived at after a thorough re-appraisal of the cost of the Soviet military effort and, in particular, of supplying and maintaining new weapons systems.

Conversions into dollar terms are exceptionally difficult because of the different economic and pricing systems, but it is estimated that if the 1975 defence effort were costed as if it were mounted in a Western country, expenditure would have been \$155bn. — a 40 per cent. higher than U.S. spending.

The estimates given by the International Institute for Strategic Studies in *The Military Balance 1975-76* put 1975 Soviet spending at 26.2bn. roubles — a figure derived by adding 75 per cent. of the ALL-Union scientific budget to the official defence budget. As a share of GNP, that would have been a little over 5 per cent.

Editorial comment Page 12

## BSC oil platform group gives jobs warning to 1,300

BY RAY DAFTER, ENERGY CORRESPONDENT

REDPATH Dorman Long (North Sea), one of Britain's major oil platform construction companies and a subsidiary of British Steel Corporation, has given advanced notice of redundancy warnings to 1,320 workers at its £14m. yard at Methil, Fife.

The employees were told yesterday that a "substantial" number might lose their jobs in six months' time as a result of the depressed state of the platform-building business.

The warning follows the completion of a platform for Shell-Esso's Brent Field earlier this month and mirrors the situation at Hartlepool, where Laine Offshore has warned 1,300 employees about the prospect of redundancies.

With two of Britain's eight yards still awaiting their first orders (Humberston and Portavadie) and with two successful contractors warning of mass redundancies, the Government has looked urgently at ways of stimulating orders.

The famine of orders has been particularly embarrassing for defined.

## Pay deal backed by more unions

By Roy Rogers in Scarborough

UNION CONFERENCE decisions taken in Scarborough yesterday swung a further 1.4m. votes behind the Government-TUC pay proposals, which will almost certainly attract a majority of more than four to one at a special TUC congress on pay next month.

Delegates to the Amalgamated Union of Engineering Workers' national committee and the annual conference of the Inland Revenue Staff Federation came out in favour of the 4:1 per cent. pay policy due to be introduced from August 1.

These decisions mean that Mr. Jim Callaghan, the Prime Minister, will be preaching to the converted when he flies here to address both conferences later today.

After a four-hour debate the 52-man national committee representing the AUEW's dominant engineering section rejected by 25 votes to 23, with one abstention, a Left-wing supported motion urging the union to withdraw its support for the social contract.

They then backed by broadly similar margins motions pledging full support for the proposed pay policy, the Labour Government and for a return to free collective bargaining "when economic circumstances permit."

## Decisive

This decisive support for the policy from a union which initially rejected the present 8:1 limit before reversing that decision last September, was achieved without Mr. Hugh Scanlon, AUEW president, entering the debate.

He made it clear to delegates that he would prefer to keep his powder dry for the unions' full conference here next week when a mandate on the engineering section delegates will ensure that those from the technical and supervisory sections (TASS) and construction sections will have no opportunity of setting the 1.4m. member union against the policy.

Despite this favourable vote for the pay proposals, several delegates from the Right and Left warned that they might have great difficulty in making it stick. This was particularly true of those from British Leyland plants recently hit by a rash of unofficial disputes against the 8:1 limit.

Speaking for the policy, Mr. Phil Fovey, moderate shop steward from Triumph Coventry, warned that a return to free collective bargaining at this stage would be a recipe for catastrophe.

But at the same time he saw problems "building up like a log jam" and felt unable to give any assurances that his members, who were involved in the

Continued on back page

## U.K. may join Airbus consortium

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. is to discuss with the French, West German and Dutch aircraft industries the possibility of a British Government investment in the European Airbus Industrie consortium, which is building the short-range 737.

During talks in London earlier this week between Mr. Eric Varley, Secretary for Industry, Lord Beswick, Sir Kenneth Keith, chairman of Rolls-Royce (1971), and Mr. T. C. Wilson, president of Boeing, and Mr. Harry Gray, president of United Technologies (parent company of Pratt and Whitney, the U.S. engine company), it became clear that the Americans would like to work with the British industry.

At the same time, it was made clear to the Americans that even if Britain were to join Airbus Industrie on any B-10 programme, the U.K. would still be interested in working with Boeing on the smaller 737 venture as well.

The idea is that the U.K. at present only in the European A-300 Airbus programme on the basis of a private-venture stake by Hawker Siddeley Aviation, should become an official member of the consortium, working on future derivatives of the A-300, and especially the proposed B-10 medium-range model.

The U.K. will stress that any participation in Airbus Industrie on a Government investment basis would depend entirely on the terms that the existing Airbus Industrie partners laid down. If these were unacceptable to the U.K., the nationalised aero-space industry would have no option of turning to the American industry, seeking collaboration with them.

The U.S. team showed interest in the idea, and promised to consider it but made no commitments.

What seems to be emerging, therefore, from the flurry of discussions of the past few weeks in Europe is a clear U.K. initiative, aimed at getting a united European effort on derivatives of the Airbus.

If this cannot be achieved, either because of Continental unwillingness or because the terms are not right, the U.K. has the option of turning to the American industry, seeking collaboration with them.

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ordon Jackson, Deborah Grant, Patsy Byrne, Cheryl Branker and Jane Morant in 'Noah', which opened last night at the Chichester Festival Theatre

## Elizabeth Hall

## Christ Church Cathedral Choir

by MAX LOPPERT

he Redcliffe Concerts of English Music on Monday presented the Choir of Christ Church Cathedral, Oxford, under director Simon Preston, in a programme musically only half as good as the choir's. The choir, which has been singing for five centuries, is a Byrd, that peak of the repertoire, with its phrase-mastery of melodic balance; but its expressivity tempted Mr.

## alladium

## Shirley MacLaine

by B. A. YOUNG

kept trying to forget that Miss MacLaine is an intelligent woman who has campaigned in residential election and led women's deputations to China. She does in her hour-long performance at the Palladium suggest the intellectual. She comes on a glittering black trouser-dress, the stage in a few not strides and launches into a series of singing, dancing, and acting. Yet her intelligence gleams in everything she does, and in nothing more her evident self-criticism, infinite attention to detail, immaculate teamwork when she does a routine with her five-strong team of

Next, in an extract from *Some Came Running*, she has become a gauche young woman with a repertoire of clumsy movements observed with notable accuracy. However, brief the material, Miss MacLaine reveals herself as a stylish actress; and her dancing is superb — lithe, elegant, controlled, bearing still the hall-mark of her years as a "gypsy" dancer in the world. "Shirley" called a supporter from the audience, and whether he was right or not, that was the feeling we all had when she was dancing for us. In a number that she did with her troupe, "Every little movement," she, and they, achieved the most enchanting subtleties with Alan Johnson's witty choreography.

To be a fine singer, a fine actress, a fine dancer is an adequate passport to stardom, but Miss MacLaine has another quality besides: immense personal magnetism. The quality Judy Garland had at her best. She wants, she told us, to go on with an act of this kind, not to go back to movies, or politics, or China. As long as she comes often enough where she can see her, this seems a good idea. It seemed so too to the Palladium audience, who rose in their places at the end and cheered her as if she were Stephen Sondheim.

## ind House

## Patti Smith

by ANTONY THORNCROFT

was like old times at the House this week — once packed and patient, cynically observant, part enthusiastically and all gently comforted by a sickly smile. This stifling tedium he paid to be paid to me the latest Underground member from New York — Smith. Perhaps the first "ground" revelation would be her description since the era of Warhol and the goings of the Chelsea Hotel now as quaintly old-fashioned, ratty street.

Smith, a hit player in the film *Robert Rauschenberg* as Pierced and sometimes as a woman who has become, if not yet a star, at least a proposition, as enough mesmeric quality, being bisexual, foul, a physical and mental and a very accomplished "mer." Her appearance on Monday featured on the edge of the world, but in the end sharp hand and her own intelligent saw her through emotional climax which she like Patti Smith, but just as hard not to be impressed by her. She claims that only the of missing the next

A pity: for the choir is itself one of England's best, with clean-toned, sure, gleaming boy sopranos finely blended into the ensemble (though 16 boys provide a somewhat heavy top layer for only four each of altos and tenors and six basses). In the two Schütz Psalms for double choir with brass band and organ continuo that ended the recital, the sound could again be enjoyed for its own sake — but not the want of rhythmic point and spring that so dulled and clogged the brilliant, joyous structures. Three gravely beautiful Lassus motets were at once insufficiently solid in bass underpinning, and insufficiently clean of style. This emphatic interpretative manner worked best in the two Britten choral pieces, the *Mass* and *Requiem* in the Lamb's house the Salvation Army jollity of the big tunes in both is intrinsic, not Mr. Preston's fault. In between there was some dull playing, on the Elizabeth Hall organ, of solo Buxtehude, and, on five modern brass instruments, of consort Locke.

## Hampstead

## Dom Juan

The tale of the legendary lady-killer and the statue that came to dinner may be well enough known in outline but Molière's original version is rarely performed in English that a straightforward account would have been most welcome. Instead, the Belgian-born director Robert Cordier opts for a production that batters the play with fierce background music, costumes that span three centuries and numerous quaint effects. This blurs and obscures the quality of his other idea, that of playing Dom (Molière's spelling) Juan as Hamlet, pestered by idiot Guilesteras, antagonising a young aristocrat who is doubly skin on the draw and the brother of the Ophelia figure. Poor Elvira indeed does get herself to the nunnery in the end.

Tom Conti, sallow and sardonic, applies Hamlet's discontent to the role. He announces his entrance by slitting a red sheet, to step symbolically forth and slice out the rotten legerdemain, a ripe grapefruit from a tree. From that moment life, one supposes, commences and it is a life he despises. When not involved in the dialogue he stands aloof at the side of the stage, a shabby world of peeling paint and rotted canvas — till he must rejoin the action. Frequently he is seen in attitudes of extreme languor and his towering rages are brought about when some pest rouses him from it. Students of Freud maintain that Don Juan, and Dom Juan too, don't enjoy their doings. So here. His interest is aroused only when the Governor's statue nods. Molière makes him panic, albeit briefly. Tom Conti in this 18th century translation by an unknown hand, is intrigued; he inspects the marmoreal neck from various angles and then cocks an eye at us as though to say, "More things in heaven and earth... Just fancy that." There are interesting features to this interpretation, the conversational tone of voice, bared smile, general air of a dyspeptic wandering scholar in a room of madmen. But the cutting edge is repeatedly denied by his director's bag of tricks. It is hard to see what purpose is served by having the cringing Scarnarel accompanied by Sganarel II, a mournful jester in whiteface. JEREMY KINGSTON

## Television

## Police methods

by CHRIS DUNKLEY

The two good-looking young men glance meaningfully at each other; the camera zooms out for us to discover that they are sitting in a bright red car with go-faster stripes down the sides; in a cloud of smoke and powder the boy races round the city street, and you know that you're watching another edition of *Starsky and Hutch*.

There are, in this relatively new imported American police series on BBC1, a number of unmistakable influences at work: like so many modern series it owes a lot to *Butch Cassidy and The Sundance Kid* and (making the influence third generation, as it were) to *Alfred Hitchcock* and *James Bond* which was itself clearly indebted to *Butch Cassidy*. There is the same mixture of masculine exclusiveness and female substitution in the relationship between the two men. Almost paradoxically there is, too, the sheer machine-like objectivity in the partnership which comes out in the violent — not to say criminal — double act which they regularly indulge.

Last week, intent upon running to earth the killer of a girl who was not a former police colleague but also a former girl friend of Starsky (the script appears to permit girl friends so long as they are ex) the two buddies-buddies came across an immense bouncer at the door of a seamy club where the girl had been working as a dancer. The bouncer looked like that enormous thug who was such a bane to Charlie Chaplin, and he had the temerity to tell the two detectives that they weren't coming in, no sir, not without a search warrant, for which the sound could again be enjoyed for its own sake — but not the want of rhythmic point and spring that so dulled and clogged the brilliant, joyous structures. Three gravely beautiful Lassus motets were at once insufficiently solid in bass underpinning, and insufficiently clean of style. This emphatic interpretative manner worked best in the two Britten choral pieces, the *Mass* and *Requiem* in the Lamb's house the Salvation Army jollity of the big tunes in both is intrinsic, not Mr. Preston's fault. In between there was some dull playing, on the Elizabeth Hall organ, of solo Buxtehude, and, on five modern brass instruments, of consort Locke.

In another respect, however, *Starsky and Hutch* certainly does owe a debt to *Kojak*: in style. Of course *Kojak* is not the first police film to be shot on the streets of New York. Warner Bros., pre-eminently though even they not alone, were doing it in the nineteen-forties. Moreover *Starsky and Hutch* is filmed in Los Angeles rather than New York. Nevertheless *Kojak* does have a quite characterful look to it in terms of pictures alone, and *Starsky and Hutch* could occasionally be confused with it because the two are so much alike.

It is not just a question of filming police cars as they emerge, head on, after crashing through huge piles of carefully placed cardboard boxes during the mandatory car chase. (One day one of the American series will produce an episode without a car chase and we shall all go to bed with a puzzled feeling of missing something.)

The stylistic similarity between the two series is in the way that the entire urban surroundings are perceived, explored, and exploited. There is



Telly Savalas

one cutting sequence which *Kojak* has turned into a visual cliché: one moment you are using the camera's eye to look out through the windshield of Theo's Buick as it sprints down a New York street, squealing as it rolls on the corner while the scenery like a climber gazing down into a crevasse. From there you zoom into the Buick to follow it for a while from above. Cropping up, as it does, in *Starsky and Hutch* that combina-

tion alone is enough to indicate a debt. But there is quite a lot more than that to the similarity. The name of the game is realism, and it is played best in the full-length movie versions of *Kojak*: last week's for instance, "A Question of Answers," or the two which have each been shown twice now by the BBC, "The Marcus Nelson Murders" and "The Chinatown Murders."

Being the length of full feature films, these productions allow enough time to develop atmosphere in its own right, rather than limiting the development strictly to those aspects which serve the plot directly. "The Marcus Nelson Murders" in particular (which at two and a quarter hours is longer than it needs to be) uses some wonderfully vivid New York locations without ever resorting to such hackneyed scenes as the Manhattan skyline.

Similarly with "A Question of Answers" last week, although director Jerry London did use the moored Q2 as a backdrop at one point, there was a feeling that this was serendipity — that the ship just happened to be there when they reached their location in the way that it might happen to be there in real life if you agreed to meet at the New York docks.

Even in the 70-minute film which opens the *Starsky and Hutch* series the producers did not quite manage to do for Los Angeles what the better *Kojak* episodes have done for New York. Nonetheless there is no mistake: the efforts that are made, a lot of cameras are being taken out on a lot of streets, hand-held in a lot of passenger seats, and hotted on lots of tailgates. Either *Kojak* is spending a fortune in extras, or else you really can see plenty of genuine drunks from and hookers, junkies and muggers if you keep your eyes open. And here is the extraordinary part of it all: against these

## Coliseum

## Stuttgart Ballet

by CLEMENT CRISP

The return of the Stuttgart Ballet to London brings back a troupe whom we admired greatly at their first Covent Garden appearance two years ago. We still think of the Stuttgarters as John Cranko's company, and it was fitting that for Monday's opening performance we should see the *Romeo and Juliet* that he made in his second year (1962) as director.

But we see the staging "through" other versions — those of Lavrasky and MacMillan — albeit Cranko's antedates the Royal Ballet production by three years. In recent television presentation of the Bolshoi's *Romeo* was a grave disappointment: MacMillan's conception, though, is now fundamental to our appreciation of any other account of the piece, and there are inevitable comparisons to be made with the Stuttgart production.

First and foremost, be it said that the Jürgen Rose design is a natty, meticulous, town-view of Verona — is not a patch on Georgiadis' opulence, nor on Piotr Williams' verismo for the Muscovites. And Cranko's account of the tragedy has something, too, of this same bright, light-weight quality. He concentrated upon a kind of dramatic virtuosity for his scenes that gave them an almost hectic vigour; they verge at times on musical comedy, and the inevitability of the drama lies too heavily upon the young lovers. They exist, as it were, apart from their surroundings — which may well have been Cranko's intention — but the effect is to divide the work rather abruptly, and to overpower the poetic intensity of the central crisis of the piece.

Craftsman-like in every way, and with many typically illum-

## St. Mary's Church, Oxford

## Cavalli &amp; Monteverdi

by DOMINIC GILL

Each year, as every year, the indefatigable Lina Lalandi continues to offer as an undercurrent to the main themes of her English Bach Festival a lively list of new works, new performers, and concerts of off-beat rarities. This season, to celebrate the anniversaries of Gluck and Lalandi, there are first performances in modern times of important works by both composers; there was the British premiere last week at St. John's of 14 newly-discovered canons by J. S. Bach; and last Monday evening, in the University Church of St. Mary's, we had Cavalli's first published work, the chance to hear some of the more recent, mainly unpublished fruits of research into the music of Cavalli and Monteverdi by Oxford's new Heather Professor, Denis Arnold.

There were eleven works in all, of which at least four were

probably given for the first time in public since the 17th century. None was well known: all deserve to be. It was specially exciting to discover such a fine, muscular psalm — setting as "Laude Domini" — a massive Monteverdian canvas of swirling colour, for choir and instruments with sackbuts.

Invigorating evening. Strong support for John Elwes from two other soloists, countertenor and bass, Rodney Hardesty and David Thomas. The EBF Ensemble and EBF Choral, an excellent ad hoc group brought together for the occasion by Nicholas Cleobury, delivered their words and music with infectious spirit. The energy and zip of Professor Arnold's direction never flagged for an instant — though I was not alone, I think, in finding some of his more exuberant vocal mimics, at the side of the stage when he "Salve Regina" for vocal trio, all of which at least four were

a very fine bass motet "Ab more distracting than evocative."

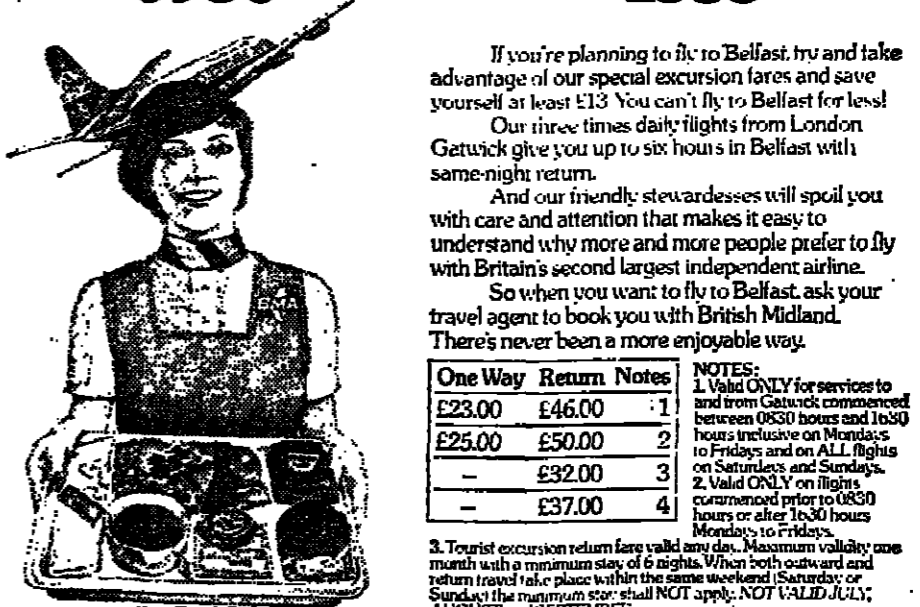
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## WORLD TRADE NEWS

## More U.S.-Japan talks on steel imports likely

BY CHARLES SMITH

JAPAN and the United States will try to reach final agreement on U.S. proposals to restrict special steel imports at talks due to start in Washington tomorrow, but there is a chance that still further round of talks will be needed to settle the issue. The Washington round — the third between the two nations since the U.S. announced its proposals — was originally scheduled to last two days but now seems likely to extend to three or four.

The main issues at the talks will apparently be the percentage share to be allotted to Japan of total U.S. special steel imports under the proposed limits,

and the question of whether or not Japan will demand compensation for the restraints. The Americans originally proposed to take export performance over the period from 1972-74 as a basis for allocating quotas during the restraint period. This would give Japan 37.1 per cent of the U.S. market. But Japan accounted for a much higher share of U.S. steel imports in 1975 and may demand that this year also should be included in the base for calculating quotas.

Japan will certainly assert its right under Article 19 of GATT to seek compensation for the special steel restraints. But officials in Tokyo declined to say

whether the right would be exercised. The answer to this question will apparently depend on whether Japan gets what it feels is a fair share of total imports under the proposed American quota arrangements.

The U.S.-Japan talks are being closely watched by the EEC and by Sweden, both of which have conducted their own negotiations with Washington on the special steel issue. The outcome of the Japanese talks will determine whether or not Sweden and the EEC return to Washington for further negotiations or accept proposals already made by the U.S. in earlier discussions on the steel issue.

TOKYO, May 18

## '45m. cars by 1990' forecast

HANOVER, May 18. WORLD car production should rise to about 45m units by 1990, compared with the 1975 total of 32.5m, Volkswagen chairman Herr Toni Schmuecker told the annual meeting of the German car club ADAC.

The rise will be the result of growing motorisation in non-industrialised countries as well as a continuing general upturn in business and leisure uses of the car, he said. He estimated German car output should reach between 2.3 and 2.5m units by 1985, against last year's 2.1m.

Herr Schmuecker called for greater harmonisation of car construction regulations so that the motor industry could put research and development funds to optimal use. Exhaust, safety and other control laws sometimes differed between the EEC and the U.S., he noted.

VW's research and development spending on exhaust emission control for the U.S. market rose fivefold between 1969 and 1974, and is now nearing an annual DM100m, he said.

Reuters

## Japan urged not to delay talks

BANGKOK, May 18. THAILAND has urged Japan not to delay a vital trade meeting between the two countries, a Thai Board of Trade official said today.

President Ob Vasmart said the Board received a cable from Japan's Federation of Economic Co-operation (Kaidanren) asking that the mid-June meeting be postponed until July because of the Japanese election.

Arguing in favour of an orderly marketing agreement, Mr. Dent told a Press conference in Brussels last week that the U.S. special steel industry suffered a 45 per cent production cutback in 1975 with unemployment in this industry sector running at 25 per cent. At the same time, Mr. Dent added, exporters had increased their shipments to the U.S. market in 1975 from 1974.

AP-DJ

## Mersey trade visit to Japan

THE MERSEYSIDE Chamber of Commerce and Industry is organising a trade mission to Japan towards the end of the year, which will include visits to Tokyo and Osaka.

The Chamber said yesterday that it was arranging the mission to Japan for November 27 and December 11, because it was a time of the increasing opportunities Japan offered British exporters, particularly for high quality consumer and technical goods.

## Moscow, Tokyo sign oil accord

The Soviet Union and Japan exchanged letters yesterday pledging to implement contracts signed in 1975 on the joint Sakhalin continental shelf oil and gas exploration project, the Foreign Ministry said. AP-DJ reports from Tokyo.

The Ministry said the contracts were signed in January 1975, between Japan's Sakhalin Oil Development Co-operation Company and the Ministry of Foreign Trade of the Soviet Union.

## Stores guide

A 1,066 page guide for British consumer goods exporters has just been published by Newman Books of London. Called *Stores of the World*, it lists over 9,000 major department stores and multiple groups in 119 countries, and in many cases includes the names of grade buyers, buying agents, channels and gives full details of buying agents in Europe and the U.S.

\*Newman Books, 48 Poland Street, London W1V 4PP E24.

## Concorde effect is not so shattering

By David Bell

WASHINGTON, May 18. MRS. DORIS Heath, who lives near Andrews Air Force Base outside Washington, invited a friend round yesterday to watch her windows shatter as President Giscard d'Estaing's Concorde came in to land. But she said that after the aircraft had landed she was disappointed. Not only did the windows stay intact but she was disappointed to see that Concorde "is not nearly as noisy as President Ford's plane. I would like to know why so many people are upset."

Her comments were echoed by many of the people who live in the shadow of the air base which is used as the headquarters for the Presidential Boeing 707. One man who said he saw the aircraft before he heard it said: "It's a beautiful plane. The President's plane shakes the windows much more than this President Ford ought to get over."

One lady even waxed a little lyrical about the aircraft, saying that it was quieter than any of the other aircraft using the base. "I would rather live in a field of corn than near Andrews," she said. "I think it is a shame that they upset us people with the adverse publicity. The Concorde did not make that much noise. I think we owe the French an apology."

The Washington Post, which quoted these and other reactions this morning, had great difficulty in finding a single hostile comment about Concorde. Hundreds of people who gathered in the streets to watch it come in low overhead. The Anglo-French aircraft is scheduled to make its inaugural flight to Washington's Dulles Airport next week, but a law suit which would prevent landings at either Dulles or Kennedy Airport in New York is making its way through the courts. Earlier this year, Mr. William Coleman, the Transportation Secretary, gave the aircraft a 16-month moratorium.

Neither the aircraft's friends nor its enemies monitored the noise level yesterday, but a local health official did and reported that his noise meter—set up a mile from the runway—showed that it made 10 db. more noise than Boeing 747s which land at Andrews.

This did not seem to worry any of the people watching Concorde. One man had driven for six hours from a town in New York State to see it land and professed himself well pleased with what he heard. "No, if only I can get a ride on it," he said.

All is not entirely sweetness and light, however. The council at Fairfax, Virginia, in whose jurisdiction Dulles Airport lies, was asked to have three lanterns from its county office building to warn residents of the dangers of Concorde and to show that "the British are coming." Two hundred years ago, American revolutionaries used a system of lanterns to warn of approaching British troops. The town was to be by land, two by sea. The county council decided that it should naturally be three by air.

## Payments to shipbuilders attacked

By David Bell

WASHINGTON, May 18. SENATOR WILLIAM Proxmire, a long-time scourge of the Pentagon, today sharply criticised the Defence Department for agreeing to pay shipbuilders claims against the Navy rather than changed letters yesterday pledging to implement contracts signed in 1975 on the joint Sakhalin continental shelf oil and gas exploration project, the Foreign Ministry said. AP-DJ reports from Tokyo.

The Ministry said the contracts were signed in January 1975, between Japan's Sakhalin Oil Development Co-operation Company and the Ministry of Foreign Trade of the Soviet Union.

He said the decision which could involve as much as \$1.4bn. worth of claims, would leave the Navy with a "black hole" of hundreds of millions of dollars, partly on the basis of "vague estimates, phoney assertions and inflated figures."

Pentagon's decision to settle the claims follows pressure from some congressional leaders who have urged the Navy Department to give the companies the compensation they want. John Stennis, chairman of the Armed Services Committee, for instance, has been pressing the Navy to meet a \$504m. claim from Litton Industries shipbuilding division which is based in his home state of Mississippi.

Sen. Proxmire attacked the timing of some of the requests that the Navy should settle immediately and criticised the fact that the Navy has already provisionally paid Litton \$20m. This payment, he told the Senate, had been based on "an incomplete analysis of partial information."

The shipbuilding subsidiary of Tenneco is claiming \$221m. worth of extra costs involved in the building of the aircraft carriers, Nimitz and Eisenhower. According to Sen. Proxmire, the day after this claim was filed the company wrote to the Navy threatening to stop work on other ships unless "progress" was made towards the settlement of its claims.

The Senator also gave other instances in which, in his opinion, companies had sought large compensation payments without supplying sufficient information to back them up. The decision to pay most of them had underwritten attempts to investigate them properly.

## New boy at the Big Board

BY STEWART FLEMING AND JAY PALMER IN NEW YORK

ON THURSDAY of this week, Mr. William Batten, a 65-year-old former head of one of America's largest retail store chains, sits down for the first time as chairman at a meeting of the Board of the New York Stock Exchange.

Even before he officially takes up the post, Mr. Batten has given clear evidence that there will be some sharp changes of policy from those adopted by his younger predecessor, the 49-year-old Mr. James Needham, who was the first full time chairman the NYSE has had.

In his first speech as chairman, Mr. Batten was already a director, Mr. Batten must have made some of the diehard members of the NYSE wonder about having supported his appointment. That many of them did was shown by news that a conservative group of members had dropped a proposal which would have given the securities industry directors a majority over outsiders on the NYSE Board.

In his speech, Mr. Batten openly acknowledged the urgent need to embrace and support the trend towards increased competition, not only between the various U.S. securities markets, but also within the NYSE itself. His message to members who have already endured three years of upheaval was that the Big Board cannot expect to retain its 185-year-old dominance of the U.S. securities markets by relying on tradition and rules which amount to restrictive practices.

That he intends to be as good as his word became evident last week, at a board meeting—the last one in which Mr. Needham took the chair. The Board approved a plan backed by Mr. Batten deliberately to recreate competition between specialists on the floor of the exchange. Specialists are the rough equivalent of the jobbers of the London Stock Exchange, although they have a less predominant position than their London equivalents. Their responsibility is to ensure that markets are orderly and liquid enough to permit normal trading.

Much of the discussions of why Mr. Needham was ousted three weeks ago has concentrated on the alleged failure of certain key strategies which he pursued. Insufficient attention has been paid as to why the NYSE believes it needs a man like Mr. Batten to see it through the next two or three years of critical developments in the securities industry, in particular the accelerating move towards a central market for securities dealing.

As a former commissioner with the industry's regulatory agency, the Securities and Exchange Commission, and an accountant, Mr. Needham may well have been a good choice as a chairman whose main job was to see the Stock Exchange through a period of severe financial pressures coupled with the introduction of tougher self regulation, and new computerised administrative systems.

It is now being suggested, however, that whatever his virtues in this direction because of his aggressive and single minded approach to the problems of the exchange, he was not the man needed to when it came under pressure from the SEC and Congress to make fundamental and far reaching changes in the development of its trading methods.

At the end of protracted battles with the SEC, Mr. Needham abandoned the fixed commission rate



Resigned NYSE chairman Mr. James Needham (left) with his successor, Mr. William Batten.

structure in favour of negotiated commissions under the 1975 Securities Act. SEC have clearly established the principle that the securities industry should move rapidly towards the creation of a central stock market. Despite the fact that the change or completion as early as 1981, provided it is practical to do so quickly, which many doubt.

With such rapid change on the horizon, the idea that Mr. Batten is an older statesman chosen to ensure stability is not convincing. The argument that he is a carefully selected man who could cope with the transition they now face. The idea is that he will prove a

One way to preserve the NYSE's predominance to ensure that the services it offers to both institutional investors and the U.S. corporations it is competitive with those of its rivals.

the dominant one with well over half the business and most of the major U.S. corporations are quoted on the Big Board. Its rivals include the regional markets in the Mid-west and on the West Coast, the American Stock Exchange, and the "over-the-counter" market (the so-called "third" market) run by the National Association of Securities Dealers.

Broker-dealers who are members of the NYSE also have cross membership of the smaller rival markets, and shares listed on the Big Board are in some cases traded on some of the other exchanges. So the easing of the rules requiring NYSE members generally to deal on the NYSE trading floor can be expected to lead to an increase in the opportunities for rivals to expand their business at the expense of the NYSE—unless, that is, the Big Board can combat the trend by making itself more attractive.

The other aspect of Rule 395 which needs to be kept in mind is that it was a barrier to the creation of a single centralised stock exchange. Not only has the

negotiator and diplomat able to reconcile both the internal conflicts and tensions which exist, but also exact best terms the exchange command in its dealings with Government and its agents. The hope is that his parties skills in marketing, learnt in his previous U.S. role, will help him to build up the NYSE while building up J. C. Penney Company, will end Mr. Batten and the NYSE evolve a strategy to preserve its pre-eminence by ensuring that the Big Board is at the centre of any central stock market.

One way in which it might do is by ensuring that the services the exchange offers to institutional investors and U.S. corporations it lists are competitive with those of its rivals, and that the move towards recreating competition among specialists does not lead to a situation in which the NYSE is out of the picture. It must, however, be admitted, that after two years, Mr. Batten and his colleagues do not have a great deal of time in which to meet the threat posed by the creation of a single centralised stock exchange. Not only has the

## Support for U.S. Bill to restrict foreign banks

BY STEWART FLEMING

A HOUSE of Representatives sub-committee has cleared proposed legislation which would restrict the activities of foreign banks in the U.S. and bring them into line with the limitations that U.S. banks are required to observe.

The sub-committee passed the Bill by a vote of 13-1. It will now go to the full House Banking Committee and, assuming it is cleared, the floor of the House of Representatives and then to the Senate.

In view of the strong support for the Bill in the sub-committee—the senior members of the sub-committee all voted for it—the

sponsors are now optimistic that it will progress without further amendments. Key amendments which have now been approved by the sub-committee will limit operations of foreign banks to one state unless changes in domestic bank regulations in the future allow U.S. banks to engage in interstate branch banking.

The Bill as it now stands does, however, include provisions for what is called "grandfathering"—this amounts to protection for foreign banks who already have interstate branches. Such banks with existing interstate operations on May 1, 1976, will be

allowed to continue them. There have also been amendments in the Bill which foreign banks have objected to, and which O'Brien recently singled out in speech to U.S. bankers as "discriminatory against foreign banks."

Thus foreign banks will have to place a surety deposit the extent of their deposit base and not to their total deposit liability. However, they will not be required to join the Federal Deposit Insurance Corporation (FDIC). As it stands, the Bill allows "grandfathering" of the affiliates of foreign U.S. commercial banks and prohibits foreign banks from engaging in securities activities. Foreign banks will now be subject to the same restrictions as those that were engaged in business on December 31, 1975. These banks would be subject to securities under operations for two years.

Other provisions of the Bill include restrictions which require U.S. affiliates of foreign banks must have under 50 per cent of their boards of directors of foreign nationality. The Bill has proposed that more than one-third of the directors of foreign banks must be U.S. citizens. The Bill also provides the regulation of foreign banks should be by the Federal Reserve Board which will be able to impose reserve requirements and a general regulatory framework. The size of foreign banks covered by the Bill's provisions has been raised from \$500 million to \$1bn, but it appears that no practical effect at all because all the banks operating in the U.S. would have assets over \$1bn.

The Financial Times understands that the U.S. House of Representatives will pass the Bill in the next few days. The Senate Banking Committee has also passed a similar Bill, but it is not yet clear whether the two Bills will be identical. The House Bill is expected to be passed in the next few days.

## EEC turns down U.S. proposal

BRUSSELS, May 18.

THE EUROPEAN Community has finally rejected U.S. suggestions to limit EEC special steel exports to the U.S. under an orderly marketing agreement, according to a Commission spokesman. The EEC's decision was communicated to Washington last week.

The EEC's final rejection of an orderly marketing agreement that President Gerald Ford has proposed came in a joint meeting of representatives of the Community member countries' steel industry officials and the Commission last week.

The spokesman said the rejection of any such agreement was unanimous. The U.S. International Trade Commission (ITC) initially suggested that the U.S. should impose import quotas for specialty steels over a five-year period. President Ford, last March, decided to reduce the

quota period to three years but suspended any final decision for 90 days to allow negotiations on an orderly marketing agreement. The major special steel supplier of the U.S. market is Japan. The EEC and Sweden are other important suppliers. The quota the U.S. sought from the EEC was 31,000 tons annually. EEC steel industry sources said.

The Community's decision may influence Japan's attitude on the subject. Sources in Brussels say that while not rejecting an agreement outright, the Japanese told U.S. negotiators they would essentially follow the EEC line on the special steel issue.

Sweden is understood to have rejected any agreement outright, but some EEC sources implied that had the Community gone along with the U.S. plans, Sweden, by itself, could not remain outside.

Mr. Ford's special trade nego-

tiator, Frederick B. Dent, attempted last week to change the Community's mind when he met with EEC external relations commissioner Sir Christopher Soames. But, Commission sources said, Sir Christopher was not in any position to make concessions to Mr. Dent.

In negotiations with the Commission, U.S. officials had set May 20 as a deadline for a final answer from the Community on the orderly marketing agreement. Arguing in favour of an orderly marketing agreement, Mr. Dent told a Press conference in Brussels last week that the U.S. special steel industry suffered a 45 per cent production cutback in 1975 with unemployment in this industry sector running at 25 per cent. At the same time, Mr. Dent added, exporters had increased their shipments to the U.S. market in 1975 from 1974.

AP-DJ

## U.K.'s Mexican steel prospects

BY KENNETH GOODING

THE STATE-controlled Mexican steel concern SICARTSA is expected next month to begin handing out £1bn-worth of contracts in connection with the extension of its plant at Las Truchas.

U.K. engineering groups have high hopes of collecting orders worth well over £100m. Suppliers who have tendered for contracts include two Davy International offshoots, Davy Ashmore and Davy-Loewy, as well as GEC, Head Wrightson, Adamson Butterley, Otto Simon-Carves, Salem Engineering and Strachan and Henshaw.

In London yesterday the formal finishing touches were put to a £100m. line of credit to finance orders if they are won by British companies. The credit agreement was arranged by Lazard Brothers acting on behalf of a consortium of London clearing and Scottish banks and is guaranteed by the Export Credit Guarantee Department.

It represents something of a landmark for Lazard in that this latest agreement brings the total amount of buyer credits the bank has arranged to more than £1bn. since, together with the ECGD, it first evolved the buyer credit scheme for providing financial support for British exports.

Up to that time the emphasis was on supplier credit arrangements. Stage one of the Las Truchas project, scheduled for completion later this year, will take capacity to 1.3m. tonnes a year. Stage two is itself in two phases and will increase potential output to 3.65m. tonnes per annum. The first phase will involve SICARTSA (or, in full,

Siderurgica Lazaro Cardenas Las Truchas) spending the equivalent of £1bn, with a further £250m. earmarked for the second phase.

Principal competition for the U.K. engineers is coming from Japan and Italy. Italian plants seem to be the favourite to collect the blast furnace contract as long as the Mexicans are not too disturbed by the Italian political situation.

In the U.K., Davy International looks a likely candidate for a major order because Davy Ashmore has tendered for the contract for the steel production facilities at Las Truchas, while Davy-Loewy has put in a bid for the steel processing (hot and cold mill) plant.

In both cases the Davy companies are acting in partnership with West German companies, having been steered in that direction by the customer. Davy Ashmore is in partnership with Demag and Davy-Loewy with Schleemann-Siemag.

Davy has been a supplier to the Mexican steel industry since it won its first order 25 years ago and supplied the rod mill for stage one of the SICARTSA plant.

Two years ago the group also won a £48m. contract to take responsibility for the design, supply and construction of steel works for Altos Hornos of Mexico, a project currently being completed on time. A major part of the cash involved "spun off" to U.K. suppliers like Whessoe, Redpath Dorman Long (the British Steel subsidiary) Head Wrightson and GEC, among others.

A Davy success in respect of Las Truchas would produce a similar "spin off" of orders, although some of its regular suppliers have put in tenders on their own account.

Funds provided under the line of credit agreed yesterday will be repaid over 10 years with the first instalment due on June 30, 1980, six months after this stage of the project has been commissioned. The interest rate will be flexible and agreed as individual orders come through but will probably be in the region of 7 to 7½ per cent.

## British mission to Greece

BY OUR OWN CORRESPONDENT

FOURTEEN British companies offering a variety of products and services are taking part in a trade mission to Greece from May 23 to June 2 organised by the London Chamber of Commerce.

The mission will be headed by Mr. E. J. Cooper, marketing director of Muir-Hill, makers of tractors. He has made several visits to Greece, two on previous missions involving the London Chamber of Commerce.

Companies represented on the mission manufacture construction and earthmoving equipment, quarry plant equipment, plastic contamination control and cross-linked polyethylene systems, mechanical and hydraulic grabs and bulk handling equipment, waste water treatment equipment, agricultural and industrial tractors,

## Tunisia woos Britain with 'free zone' scheme

BY PAUL BETTS

THERE IS a dearth of British industrial investment in Tunisia according to Mr. Salaheddine Pacha, deputy director of the Tunisian Agency for the Promotion of Industry (API).

Addressing a seminar in London on Tunisia's industrial investment potential organised by the London Chamber of Commerce, the Confederation of British Industry and the Middle East Association, Mr. Pacha said yesterday that British companies were "conspicuously absent" in setting up export oriented ventures in Tunisia.

Tunisia has offered attractive incentives for foreign companies through a "free zone" trading scheme set up under Tunisia's April 1972 Law. In the last three years, he pointed out, 230 export oriented projects had been approved by his agency, 160 of which had been fully or partially implemented. West Germany, the Netherlands, France, Italy, Switzerland and the U.S. had taken advantage of the scheme that offered attractive exemptions in taxation, profit repatriation and foreign currency dealings.

Mr. Miles Reinhold, of the Middle East Association, said that the principal reason for lack of British participation was ignorance of Tunisia's potential. He explained that British companies seemed reluctant to search for new openings, that the British Government was making overseas investment difficult, and that the Tunisian package was not being promoted well enough.

Another speaker, Mr. John Warburton, of the CBI, said that Tunisia could potentially be an important spring-board to the European market. In fact, Tunisia in this year became the first Arab country to conclude a trade agreement with the EEC. Community partners were

## assembling or finishing goods in Tunisia at lower unit costs that eventually found their way into the European market at prices that competed effectively with exports from Hong Kong, Taiwan, Tunisia, which was placed to become the pivot of a "triangular trade" system. The Community, furthermore, is also understood to be helping that Tunisia will become a centre for triangular co-operation with Middle East oil producing nations.

Britain, Mr. Warburton went on, at present commanded only 3.5 per cent of the Tunisian market. But exports to Tunisia had risen from £11.5m. in 1974 to £23m. in 1975. Tunisia is beginning to look beyond the French connection," he remarked.

The opening of the Suez Canal, he added, might open attractive markets in the Middle East and Africa. It was also understood that industries from the Gulf States were looking for more solid portfolios within the Middle East and Tunisia could provide this outlet.

Although no British companies have so far set up a plant in Tunisia, a multinational corporation with a British subsidiary—Standard Brands—had recently decided to establish a factory on the outskirts of Tunis for its food packaging operations. The seminar was told that the company hoped to begin operations in Tunisia by the end of the year.

One of the principal objectives of the April 1972 law is to help Tunisia overcome its chronic unemployment problem. Companies setting up export oriented ventures under the API scheme must provide more than ten new jobs for the local labour force. At present, some 170,000 registered unemployed, more than 15 per cent of the Tunisian work force—are unemployed.

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## OVERSEAS NEWS

## Pressure grows to unseat Miki

By Charles Smith

TOKYO, May 18. MOVES to unseat Mr. Takeo Miki as Prime Minister of Japan appeared to be gaining ground today, although the man who is probably the key figure in the power struggle inside the Government, the Deputy Prime Minister Mr. Takeo Fukuda, is still refusing to come out openly against Mr. Miki.

Mr. Fukuda had a meeting today with Mr. Miki at which he apparently once more reassured the Prime Minister that he would co-operate "for the time being" with the present Cabinet. This phrase, however, could refer only to the duration of the present Diet session which ends next Monday. Once the Diet adjourns, the anti-Miki campaign, which up to now has taken the form of tete-a-tete meetings between various politicians, could take on the proportions of a full-scale campaign by the leading factions of the ruling Liberal Democratic Party.

## Enthusiasm

Mr. Miki's offence, though not openly stated, appears to have been that he has displayed excessive enthusiasm in seeking to unearth the facts of the Lockheed bribery affair, thus threatening to undermine unity within the ruling party. Public opinion undoubtedly sides with the Prime Minister, so far as it is concerned about the outcome of the struggle at all. But Mr. Miki's plight has not aroused any strong expressions of sympathy and seems unlikely to do so.

His principal attacker is the vice-president of the LDP, Mr. Eisaburo Shitara, an "elder statesman" of the party who was responsible for the original choice of Mr. Miki as a compromise candidate for the premiership after a split in the party in November, 1974.

Mr. Shitara has not publicly stated his views since pressures began to build up against the Prime Minister. 10 days ago, but has allowed it to be known indirectly that he feels Mr. Miki is incapable of restoring unity in the LDP and leading the party successfully through the next elections—due before the end of this year.

Two major party factions, those headed by former Prime Minister Kakuei Tanaka and by the present Finance Minister Mr. Masayoshi Ohira, have come out openly against Mr. Miki in the past five days. Mr. Ohira, however, has given no hint that he plans to follow up his faction's decision by resigning from the Finance Ministry.

The irony of the situation surrounding Mr. Miki is that, on present indications, there seems to be very little chance of major or spectacular revelations, resulting from inquiries in to the Lockheed affair. The odds appear to be that a number of second-rank LDP politicians will be summoned for questioning by the national tax agency or by the police sometime after the Diet adjourns next week. But no really big names are expected to be involved and it appears extremely unlikely that anyone will be charged with bribery.

## Extension

Those summoned will be questioned for suspected tax evasion, or for breaches of the law controlling political funds contributions, but may not yet be formally charged with offences.

The controversy surrounding Mr. Miki thus concerns, not the possibility that some important heads may fall as a result of the Lockheed investigations, but the allegation that the Prime Minister has been trying to make capital out of his own acknowledged weakness and the doubts surrounding the involvement of other senior politicians.

The row over Mr. Miki's leadership makes it unlikely that the various factions within the ruling party will agree to an extension of the current Diet session beyond next Monday although an extension is, in fact, urgently required in order to allow time for the passage of vital legislation which has been delayed by hickering over the Lockheed affair.

## Call to cancel RTZ uranium deal

By Quentin Peel

IF BRITISH Government could renegotiate or cancel existing contract for supplies of uranium to be mined in Namibia (South-West Africa) by a Tinto-Zinc, according to a report published today, the Government could make a point of view on the uranium issue. The report was made by a group of scientists in a study of the proposed uranium mine which claims that the mine would have been built to investigate the viability of alternative supplies, or to take into account political difficulties of such a nature.

The report also calls on the Government to give an undertaking that it will not compensate any British companies in the event of a takeover after Namibian independence, and to

## Egypt to take tough line in to-day's talks with Syria

By Richard Johns

CAIRO, May 18.

EGYPT intends to take a tough stance in the reconciliation talks with Syria beginning in Riyadh tomorrow and is determined not to let its second disengagement agreement in Sinai be called seriously into question.

Given what appears to be an equal Syrian insistence that last September's pact with Israel is the essential issue at stake and the Syrian cause in the deterioration in relations, senior Egyptian officials are making no predictions about a successful outcome to the meeting convened as a result of mediation by Saudi Arabia and Kuwait. Here it is not considered by any means a foregone conclusion that the ground will be laid for a quadripartite summit as soon as June 10, the date planned by Saudi Arabia.

Mr. Mamdouh Salem, Egypt's premier, will be accompanied by Mr. Ismail Fahmy, the foreign minister, whose relations with Mr. Abdel Halim Khaddam, his Syrian opposite number, are

notoriously bad. Mr. Fahmy has already stated publicly that the Syrian pact could not be discussed while Mr. Khaddam has declared that this is the issue to be resolved.

Almost relishing Syria's discomfiture in the Lebanon, Egypt feels itself to be in a strong position. Yet, aware of Egypt's own isolation because of the second disengagement agreement, a source close to the president acknowledged that there would be a "tight balance" in the Riyadh talks.

It is expected that Saudi Arabia and Kuwait will try to use their power as petrodollar donors to cajole the two confrontational states into resolving their differences. That is no small consideration for Egypt which is desperately dependent on the Gulf oil producers' charity if it is to survive economically this year.

Here the assumption also is that Syria's primary concern will be an end to the propa-

ganda war with Egypt in advance of the end-May expiry of the U.N. disengagement Observer Force's mandate. Damascus has little choice but to agree quietly to its renewal.

It is understood that Mr. Salem will take the offensive by concentrating on the estrangement between Syria and the mainstream of the Palestinian movement. The policy is to cause President Hafez Assad's regime maximum embarrassment on this score.

AP-DJ reports from Beirut: Saudi Arabia has offered to take the place of Iraq as supplier of crude oil to Syria, the well informed Middle East Economic Survey reported today. This is seen as at least a partial explanation of how Saudi Arabia was able to persuade Syria to attend reconciliation talks with Egypt.

Syria's petroleum industry faced a crisis when Iraq stopped pumping oil through Syria to Lebanon in early April.

## Another Arab youth shot dead in clash with Israeli troops

A 21-year-old Arab died after being shot in the head today during a clash with Israeli troops.

Mahmoud Kurd, the third young Arab to be killed in violent disturbances in the occupied West Bank during the past three days and the tenth in the past few months, died in hospital this afternoon, Israel Radio said.

Most shops in the walled city of Jerusalem were closed as groups of Arab youths demonstrated against the Israeli occupation the radio reported.

Students from Arab schools in East Jerusalem threw stones at Israeli police and there were

JERUSALEM, May 18.

L. Daniel writes: The Israeli authorities are studying the possibility of ordering special buses using rubber bullets and intent to make a larger use of tear-gas grenades and of water cannons in order to break the chain reaction of demonstrations, injury to or killing of rioters and the ensuing even more violent demonstrations.

A group of three terrorists which penetrated the West Bank from Jordan at midnight last night was discovered by an Israeli patrol near the Damsy bridge, an Israeli spokesman announced.

In the ensuing clash, the three terrorists were killed.

## Libyan mission fails to ease Lebanon tension

By Ihsan Hjaz

BEIRUT, May 18.

EFFORTS BY Libya at reconciliation between Syria and the Lebanese left-wingers have ended in failure and left the tension here higher than ever, said the Major Abdel Salam Jalloud, the Libyan Prime Minister, returned to Damascus today after holding 16 uninterrupted hours of talks with Moslem, left-wing and Palestinian guerrilla leaders.

Before leaving Beirut, Maj. Jalloud repeated his support for the left-wing movement and its objectives but urged at the same time that the conflict between the left-wing alliance under Mr. Kamal Jumblat and Syria should be settled by dialogue.

Press quarters close to Libya have disclosed that the original

purpose of the current Arab tour by Major Jalloud was to seek to form a "fighting Arab Front" against Israel composed of Libya, Syria, Iraq and the Palestinian guerrilla movement.

Left-wing sources today claimed that military reinforcements from Syria arrived at the Lebanese northern port of Tripoli late last night. They said the news was received while Maj. Jalloud was meeting with Mr. Jumblat.

Heavy clashes between right-wing and left-wing forces on all fronts continued throughout the night and to-day, with the residential districts of the capital being shelled indiscriminately again.

## Qatar plans oil takeover

By Ray Daftier, Energy Correspondent

THE GULF state of Qatar has decided to take over the remaining 40 per cent. of oil producing operations owned by foreign companies.

Negotiations towards total nationalisation—widely expected in the oil industry—are due to begin next month. According to the Middle East Economic Survey the deal should be concluded within a few months.

It is anticipated that the established producers—Qatar Petroleum and Shell of Qatar—will continue to run the operations on behalf of the Government. The oil companies would then receive a management fee.

The foreign shareholding of QP is divided between British Petroleum, Shell, Compagnie Francaise des Petroles, Exxon, Mobil and Parpet.

Companies were notified of 4.8bn. barrels a day.

## China radicals campaign

By Our Foreign Staff

RADICALS IN China have begun to step up their campaign against right-wing elements in the ruling party.

On May 18, a special article was published by the official New China News Agency saying that rallies had been held across China to celebrate the 10th anniversary of the May 16th Circular. That was the document which launched the Cultural Revolution in earnest.

The agency said that "hundreds of millions of people" had reviewed the "glorious course" of the Cultural Revolution in bringing about an upsurge in the struggle to criticise Teng Hsiao-ping (the dismissed Vice-Premier thought to be chosen successor to Chou En-lai).

That article was followed yesterday by a front-page story in the People's Daily warning the Chinese that a long struggle lay ahead to defeat right-wing "capitalist roaders" within the party.

The Rosing mine gives South Africa overall control of the second largest total of uranium reserves in the world, and thus is of vital strategic importance, the report says.

Although the evidence suggests that alternative supplies are available elsewhere, its authors say "there is little indication that any serious attempt has been made to examine these options. The negotiation of new contracts for Namibian uranium ought to await the formation of an independent and internationally recognised Namibian Rosing mine being developed Government."

## Thailand wants to review its relations with Malaysia, because it fears

FRIENDSHIP between Thailand and Malaysia—exemplary and long taken for granted by both countries—will undergo some serious reassessment when Thai Premier Seni Pramoj makes his first overseas visit to Kuala Lumpur next month.

His Foreign Minister, Pichai Rattakul, who precedes him to Kuala Lumpur next week is expected to tell the Malaysians that their 500-strong paramilitary police unit based in Betong in South Thailand must leave, and that after 12 years their border agreement is in need of review.

Malaysian authorities have been dreading this prospect since the end of the Vietnam war: the border agreement is vital to Malaysia's security. Not only does it give Malaysian troops the right to enter Thailand in "hot pursuit" of Communist guerrillas, but for intelligence gathering, and for the morale of Malaysian troops to know that the guerrillas do not have a permanent sanctuary that is beyond their reach.

The spark that led to Thai demands for changes in the status of the border agreement was ostensibly the anti-Malaysian demonstrations in Betong early this month, after Malaysian jets had made strikes inside Thai territory in the course of a massive hunt for the guerrillas.

The Malaysian Government is convinced that the demonstrations were instigated and led by the Communists under cover of the so-called "Protection of Thai Sovereignty Group." But the Thais have in any case been waiting to review the agreement for quite some time, as they see it working mainly to the benefit of the Malaysians. It is an agreement to fight the Communists only. The Thais want it to include a crackdown on Thai Moslem separatists as well.

Malaysia, being a staunch Moslem country, is not prepared to consider that. Here is the crux of the border problem.

The border twists and turns for 500 miles through hostile jungles and mountains. Some stretches are still undefined; it has long been neglected by both

## More trouble at the border

By Wong Sulong, in Kuala Lumpur

countries—so much so that a great part of the surrounding area is now a no-man's-land. Apart from the Communists and the separatists, banditry, kidnapping and smuggling are rampant: the last activity having greatly enriched provincial authorities on both sides.

In 1960, when Malaysia (then Malaya) declared an end to the then 12-year-old emergency, the Communists under Chin Peng had suffered such a rout at the hands of the British-led forces that only some 300 of them made it to the Thai border. But the Communists have learned their lessons. They have built themselves up again into a force of more than 2,500 armed guerrillas. Advance units have been sent back to revive old supply networks inside peninsula Malaysia to prepare for another "war of liberation."

The Malaysian strategy is to keep the guerrillas constantly on the run so that they cannot establish any permanent bases. In the operation, which set off the Betong demonstrations early this month, Malaysian forces captured two large jungle camps, one capable of accommodating more than 400 guerrillas. It is the border agreement which helps Malaysian troops keep the guerrillas on the run.

However, since the fall of the Thai military regime, and in the ensuing political instability, Malaysian leaders have been finding it difficult to establish a live and let live attitude towards the Communists.



The Thais themselves have a lingering suspicion of Malaysian intentions towards the Thai Moslem separatists, despite frequent assurances from Kuala Lumpur that it considers the separatists as an internal Thai problem.

Thai authorities say that some radical Malay groups, especially in Kelantan State on the border, are harbouring leaders of the Pattani National Liberation Front, which is trying to form a separate state out of the five Moslem-dominated Thai provinces. For good measure, the right-wing Chart Thai party, now a coalition partner in the Bangkok Government, made the recovery of former Thai territory into one of its election pledges. It displayed a giant map during the election campaign, showing the four northern Malaysian states, ceded to Britain in 1909, as part of Thailand.

Malaysia sees the answer to the Moslem separatist movement as a more responsive and constructive approach on the part of Bangkok to the social and economic needs of the southern provinces. Instead of treating them as places of exile for disgraced or corrupt officials.

There is the danger that both the security of Thailand and Malaysia will be threatened if the separatists contract a marriage of convenience. Such an alliance is not inconceivable since the Communists have been assiduously wooing the Moslems on both sides of the border for many years, and are reported to be succeeding in the attempt.

The Communists have formed an Islamic Solidarity Party to propagate the co-existence of Communism and Islam among the villagers, and during the last Ramadan they had a big feast on the Thai side, which was attended by more than 4,000 Moslems.

It is also a conceivable prospect that the Moslem separatists, after failing to get support from the Malaysian Government, might turn to a third country, possibly in the Middle East or Indo-China for aid. Such third nation interference would undoubtedly pose a grave security threat to the Malay-Thai peninsula.

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## HOME NEWS

## Another newsprint price rise likely in August

BY LORNE BARLING

PUBLISHERS are faced with yet another increase in the price of newsprint as a result of the continuing decline in the value of sterling against the currencies of exporting countries, notably in Scandinavia.

## CWS profits up 50%

By Elinor Goodman, Consumer Affairs Correspondent

TRADING PROFITS of the Co-operative Wholesale Society, the central supplier to Britain's retail co-operative shops, rose by more than 50 per cent. last year on a sales gain of just under 22 per cent.

Trading profit increased to £15.2m, while sales exceeded £1bn. for the first time, reaching £1.1bn. in the 12 months to January 10, 1978.

The profits increase coincided with a recovery in the fortunes of the CWS's largest customers, the co-operative retail societies. But the CWS profits gain resulted more from a tightening of its own operations and relaxations in the Price Code, than the larger share of retail sales taken by Co-operative shops last year.

Mr. Arthur Sugden, chief executive of the CWS, said yesterday that the main contributor to the improved profits was the £812m. a year food division. Its profits rose by 75 per cent. to £11m. Several factories, which made a loss in 1977, made a profit, partly through the speeding up of Price Commission machinery. The meat group results benefited from an improved imported meat market, and the New Zealand units made a profit in 1977, after trading at a heavy loss in the previous season.

The CWS was also helped by the improved performance of companies, like Spillers-French, in which it has a share. Profits from these interests rose by £500,000, to £2.5m.

The non-food division did less well. While sales in the food division rose faster than inflation, turnover in the non-food division went up by only just over 12 per cent. With profits down from £7.5m. to £2.1m. The drapery, men's wear and footwear companies all went into the red.

An additional £4.5m. has been allocated to reserves for new investment, while a further £5m. is being put into the Employees' Pension Fund. Dividend distribution is being retained at 50p for every £100 worth of goods bought.

## Investment plans

CWS's investment is to be increased in 1978 to £26m, against £18.4m. last year. Mr. Sugden said the return on capital invested in new factories and processing units last year increased from 9.3 per cent. in 1974, to 13.85.

Mr. Sugden said Government action to speed up the machinery for dealing with prices, rises and to defer taxation on stock profits had been significant in the CWS's improved performance, as well as the tightening up of some of the Society's own procedures.

Michael Blaudon writes: Further special provisions of £1.4m. were set aside in the past year by the Co-operative Banking Group, including the Co-op Bank and the F. C. Finance instalment credit company.

The provisions were substantially lower than the previous year's £2.65m, however. As a result, in spite of a drop from £4.76m. to £3.57m. in the banking group's operating profits, there was an improvement in pre-tax profits, from £1.25m. to £2.18m.

Although publishers and Scandinavian suppliers were unwilling yesterday to discuss negotiations which are now taking place, it is understood that an increase of up to £20 a tonne is being sought from August 1.

Both sides accept that a rise of this magnitude will be a major blow to the U.K. publishing industry, following so quickly on the heels of a £15-a-tonne jump on May 1. This took the Scandinavian price to £188 a tonne for 45 grammes newsprint.

## Extra costs

There is clearly a danger that some newspapers will not have the resources to meet the new price, but foreign newsprint producers argue that returns to their mills have been continuously eroded by devaluation.

One Canadian supplier said yesterday: "We want to be helpful to our customers on whom our livelihood depends, but we can't go on losing. We only want to restore our position."

It has recently been pointed out that since the May 1 price rise was negotiated the value of sterling against the Swedish krona has fallen by about 10 per cent. and the returns to the mills are less than before the increase. Similarly, Canadian suppliers estimate that they are about £3 a tonne worse off at the moment, and are likely to press for higher prices. The U.K. producers, Reed and Bowater, would almost certainly follow suit.

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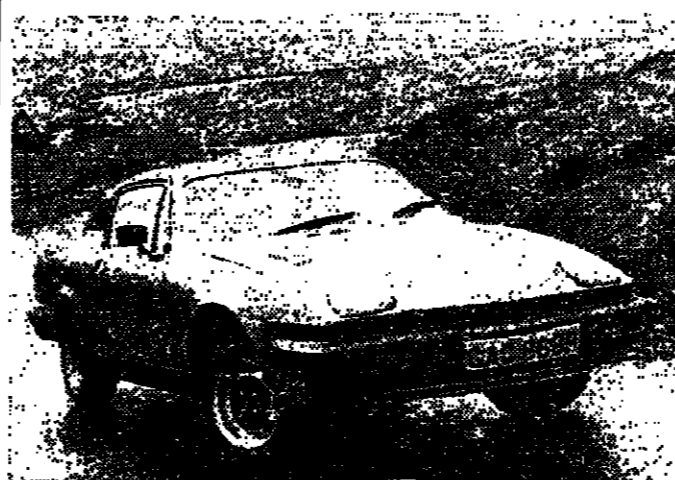
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The Triumph TR7—launched today.

## U.K. launch to-day of TR 7 sports car

BY JOHN GRIFFITHS

THE LATEST in a long line of Triumph sports cars, the TR7, goes on sale in the U.K. and several European markets to-day, nearly 18 months after the first models were delivered to customers in North America.

The car has done well against its principal rivals in America—the Datsun 280Z and Fiat's mid-engined X1/9—with U.S. sales to date of 17,000. This has earned some \$50m. for Leyland Cars in an otherwise bleak period, in which the company has had to pull out of the high-volume sector of the American market altogether.

But the TR7 to be sold here is a much livelier car than its American counterpart, being aerodynamically smoother and substantially faster, not hampered by U.S. federal safety and emission devices.

The TR7 resembles previous Triumph sports models only in having two seats. The wedge-shaped body is completely enclosed, with no open-top version available, thus ending a "TR" tradition which began when the first TR2 rolled off the production lines in 1953.

With a price set at a token few pounds below £3,000 (£2,999.88), Leyland is nursing hopes that the TR7 will appeal to a wider market than the traditional sports car enthusiast.

The company believes it has located a relatively unexplored niche: for an individual, perhaps slightly impractical, but certainly exotic-looking machine at a price nearer to that of a conventional saloon than the products of specialists such as Lotus.

It incorporates many mechanical components from the Dolomite saloons, including the four-speed gearbox and engine, the latter stretched to provide 198bhp and 105 bhp—still rather less than the 16-valve Dolomite Sprint model. Suspension is conventional, with independent McPherson struts at the front and four-link live axle at the rear.

Performance is brisk, rather than spectacular, standing still to 60 mph taking 9.4 seconds (11 seconds for the American version), with a top speed of about 110 mph.

The Liverpool plant where the TRs are produced has escaped relatively unscathed from Leyland's labour troubles of the past few months, and the company has managed to place a reasonable number in showrooms around the country for to-day's launch.

## Guidelines for local lotteries published

By Kevin Done, Industrial Staff

GUIDELINES for regulating the operation of local lotteries were issued yesterday by the Home Office in a Consultative Document.

When the regulations, to be made under the Lotteries Act, 1975, are fully in operation, local authorities will, for the first time, have the power to promote lotteries and various charitable, sporting and other voluntary societies will be able to promote public lotteries on a much greater scale.

The Consultative Document proposes that weekly lotteries should be subject to a maximum turnover of £10,000, with a maximum single prize of £1,000. For lotteries held less than four times a year, the maximum turnover has been set at £40,000, with a maximum prize of £2,000.

Several of Britain's larger local authorities have lost their enthusiasm for lotteries because of the restrictions on turnover. The Greater London Council said yesterday that it had pushed the idea of local authority lotteries for many years, but it had been thinking of a scale up to £10,000 rather than £40,000.

The City of London Corporation will hear a report to-morrow from its policy and parliamentary committee which recommends the running of lotteries for specific purposes on an experimental basis. But it points out that the estimated maximum annual proceeds from running a weekly lottery would be £182,000, compared with a possible rate burden on the City for 1978-79 of around £165m.

The Home Office document proposes that the sale of lottery tickets in casinos, licensed betting offices, bingo halls and amusement arcades and by vending machines and street sellers should be prohibited.

Mr. Roy Jenkins, Home Secretary, has invited comments from interested organisations to be submitted by June 30.

## Crosland and Mason ready to attack Left-wing policies

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE National Executive Committee of the Labour Party will to-day consider two papers submitted by Mr. Anthony Crosland, the Foreign Secretary, and Mr. Roy Mason, the Defence Secretary, which are highly critical of the foreign and defence policies drawn up by Labour's International Department with a view to their inclusion in the party's next election manifesto.

Mr. Crosland singles out Transport House's policies towards South Africa and Latin America as particularly unrealistic. A ban on all further British investment in South Africa would amount to a trade embargo which would damage British exports but do little to get rid of apartheid, he claims. Left-wing demands for trade embargoes on Brazil and Chile receive similar short shrift from Mr. Crosland. He argues that such attitudes would swiftly deprive the U.K. of her major trading partners in South America.

Mr. Crosland's call for realism in overseas policy is strongly supported by Mr. Mason. He argues his paper that Left-wing demands for further defence cuts by 1980 would lead to disarray in NATO—which remains the cornerstone of the Government's foreign and defence policy. It would also lead to a loss of 300,000 jobs, mainly in the aerospace and shipbuilding industries, which are due to be nationalised soon.

At to-day's meeting, the NEC will complete its scrutiny of a 50,000-word document compiled by its Left-wing dominated home policy sub-committee.

Last week Mr. James Callaghan, the Prime Minister, successfully led an attack on proposals to increase public expenditure by £4bn over the next four years and to impose import controls over a wide range of manufactured goods. A plan to instruct the Bank of England to purchase British overseas investments and liquidate them, using the proceeds to support the pound, also went down to defeat.

The Left, whose ranks were depleted by absenteeism last week, will turn up in force at to-day's meeting. They are likely to try to overturn last week's decisions and reinsert their key economic proposals in the policy document. Such a move is expected to be ruled out of order by the chairman.

Mr. Callaghan will not be present at to-day's meeting but he is due to address his old Trade Union, the Inland Revenue Staffs Federation, and the conference of the Amalgamated Union of Engineering Workers in Searborough.

However, a strong team of Ministers is expected to attend the meeting in an attempt to narrow the gap between the NEC and Government policy.

Mr. Ron Hayward, Labour Party general secretary, has warned the NEC they must complete the scrutiny of the policy document today if it is to be published, as promised, in Labour Weekly on Friday week. It will then go before the party conference in the autumn and, if approved by a two-thirds majority, will be included in Labour's Programme 1978 which will form the basis of the next Labour election manifesto.

## Truck driving Tests going up

THE FEE for a driving test on heavy goods vehicles is going up from £8 to £24 from August 1, the Department of the Environment said yesterday.

Mr. John Gilbert, the Transport Minister, is consulting interested organisations about the increase, which is owing to increased costs.

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## Bribery reports action ruled out

By John Hunt

MR. JOEL BARNETT, Chief Secretary to the Treasury, yesterday absolved the Government of any need to take action over reports that Shell and British Petroleum had made payments of hundreds of thousands of pounds to politicians in Italy.

He argued that the main responsibility for deciding whether such matters were unacceptable rested with the foreign country concerned. To a question of derisive laughter from the Labour benches, Mr. Barnett declared: "It is not within the Government's power unilaterally to prevent corruption in other countries. But an indiscriminate approach was wrong. Each case should be decided on its merits."

The most that could be wrung out of him was a promise that the Government would press through international organisations, such as the OECD and the United Nations, for measures to be taken to deal "with the evil of bribery and corruption."

Many Labour MPs saw this as a meaningless promise that would have little practical effect. The statement provoked an angry reaction from the Left-wing. And even the Tories seemed taken aback by the tolerant line adopted by the Chief Secretary, although they broadly agreed with his sentiments.

## Bad taste

From the Opposition front bench, Mr. John Nott, a Conservative Treasury spokesman, declared: "It's a little unclear why the Government felt it necessary to make such a statement at all. The Chief Secretary has not told us anything new."

Mr. Nott seemed to feel that it had been bad taste on the part of the newspapers to have reported the allegations at all. He pointed out that our major companies had to operate in the "real world" and he deplored any humbug from the Press or from Labour MPs that would damage their interests.

A leading Left-winger, Mr. Brian Sedgemore (Lab., Luton W.), acidly observed that if bribery and corruption were regarded as normal commercial practices, then the public should be told which firms of bribery were acceptable and which were not. He saw the row over the Italian payments as yet another reason for making partly State-owned companies such as BP more accountable to the country and Parliament.

Another Labour MP, Mr. John Prescott (Hull E.), thought the Minister's statement was "shameful" in the light of the cover-up that was going on in Europe about the activities of multi-national companies.

MRS. ANDREW WISE (Lab., Coventry SW.), a member of the Tribune Group, said that many Labour MPs regarded the Government's attitude as "feeble, inadequate and unacceptable."

## Control

"We believe the yardstick you should use is not whether matters of corruption are legal and acceptable in Italy, but whether they are acceptable here."

But Mr. Barnett firmly told her that it was not who controlled the companies that mattered, but where they traded. BP traded in 70 countries, and it was impossible for whoever controlled the company also to control those 70 countries and the varying practices in them.

There were Labour cries of "Disgraceful!" as Mr. John Oxborn (C., Sheffield Hallam) said that although corruption was illegal in many countries, it remained a common practice in some of them. He argued that it did not make it any easier when our exporters were up against competitors who did not have the reservations that we had.

Reassuringly, Mr. Barnett told him: "There is nothing that I or the Government would wish to do that would discriminate against our exporters in foreign markets."

**"Only 47% of British workers believe they are kept well informed by management—"**

**CBI Survey, May 1976**

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# New Town house sales ban relaxed

TALKS WITH chairmen of New Towns on the relaxation of the ban on the sale of rented houses were announced by Mr. John Silkin, Local Government and Housing Minister, in the Commons yesterday.

Mr. Silkin added that the sales policy would be monitored quarterly.

He was replying, in debate, to a fresh Tory demand for Government action to allow the sale of council houses to tenants.

Mr. Timothy Raison, shadow Environment Secretary, said: "In addition to the stock of human happiness, the sale of council houses does not diminish the overall housing stock."

Mr. Raison said a major advantage was the new owner's commitment to maintaining and improving his house. Removing the cost of management and maintenance represented a significant saving, something like £100 a year.

"It is the social and human advantages that really matter, including the ability to let people achieve home ownership without having to move."

Why was the Government being so pig-headed about the issue? "Why can't they relax their obsession with social ownership to give many more people what they demonstrably want?"

Mr. Silkin stressed that the Labour Party was not opposed to the sale of council houses in other countries. But an indiscriminate approach was wrong. Each case should be decided on its merits.

Dealing with proposals for relaxing the ban on sales in New Towns, Mr. Silkin said that since he had stopped the sales of rented houses just over two years ago, the period for which people had to wait for a house in the New Towns had come tumbling down.

He would discuss with the New Town chairmen the arrangements for looking at the situation in each new town individually.

## Sheldon resists call to drop higher duty on spirits

DUTY ON whisky "in real terms" has been coming down year by year, Mr. Robert Sheldon, Financial Secretary Treasury, claimed to the Commons Standing Committee on the Finance Bill last night.

He was replying to Conservative and Scottish Nationalist MPs critical of the Budget increase in duty on spirits.

SNP MPs moved the deletion of the clause in the Bill increasing the duty.

Mr. Sheldon said that, when considering the need for revenue which the Chancellor of the Exchequer had assured MPs was necessary, spirits had to make their contribution.

Mr. George Younger (C., Ayr) said he wished it would be possible to have a lower duty on Scotch.

## POLITICAL PROFILE

WHENEVER THE Government finds itself involved in a Parliamentary squabble with the Opposition, like the recent row about the Committee of Selection and the composition of Standing Committees after Labour's loss of its overall majority in the Commons, the first attempts to solve it are made through what are universally known as "the usual channels."

The cliché is a convenient one used by politicians and journalists to describe the private business dealings between the managers of both major parties. Resorting to private ritual to solve public disagreement is a well-established British constitutional device. But what exactly are the "usual channels?"

First attempts to smoke them out produce the faintly obscene reply that "whipping, like stripping, should be done in private. But, briefly put, the 'channels' are the constant contacts between the Government and Opposition Chief Whips which ensure that the Opposition can vent its spleen without jeopardising entirely the orderly progress of Government legislation, and that the life of backbench MPs is not made intolerable by endless all-night sittings."

The 29 days of Parliamentary time devoted to Opposition whingeing are decided through these contacts as are naming arrangements for sick members or absent Ministers. The Conservatives, for example, always agree to provide a pair for the Prime Minister and the Foreign Secretary, should they be abroad and for one Northern Ireland Minister on call at Stormont. If Mrs. Margaret Thatcher, leader of the opposition, wishes to consult No. 10 Downing Street privately about a matter of substance, her Chief Whip will do her bidding using the "usual channels."

The of in the machine which makes such Parliamentary fine tuning possible is provided by a highly unusual civil servant named Freddie Warren. Private Secretary to eight Chief Whips, it is he who acts as the right hand of Mr. Michael Cocks, the present occupant of No. 12 Downing Street.

Every Tuesday afternoon, Mr. Warren pays a call on Mr. Humphrey Atkins, Opposition Chief Whip, and informs him of the Government's plans for the following week's business. Should Mr. Atkins take exception to these arrangements, Mr. Warren will convey his objections to the floor of the House as he

"If, in any New Town, the average waiting period for those eligible for a New Town rented house is less than three months then, if the Development Corporation wishes and subject to proper consultations, we could start resuming sales."

Mr. Silkin said it would also be important to monitor the sales policy regularly.

"Every quarter, we would look at each town individually to see whether in the light of any changes in the average period, sales ought to be slowed down, resumed or continued as before."

This policy would achieve the right balance between helping those who wished to own their own homes and making sure that there was a proper supply for those people looking for a house to rent, particularly those in greatest need.

Mr. Silkin, turning to the argument about the social immobility imposed by council housing, said that the Government was looking at possibilities including equity

sharing and co-operative housing, transfers of tenancies, and the handing over of management of housing estates to the tenants themselves.

For the Liberals, Mr. David Penhaligon said decisions over the selling of council houses should be left in the hands of local authorities. "They are the only ones who can possibly know their own areas well enough," he said.

● The Conservative Opposition on the Greater London Council yesterday invited council tenants to join a waiting list now to buy their homes. "The day we take control of County Hall they will get their chance," said Mr. Horace Cutler, Opposition leader.

He said those writing to him now would be placed in the queue on a first-come, first-served basis for the sale of houses if the Tories took control of the GLC in the May, 1977, elections. During the last Conservative control of the GLC, 18,000 council houses were sold to tenants.

There is now a very serious drain, indeed, of management. We shall never have a successful economy and full employment again while management is treated as badly as the present Government is treating them."

Mr. Prior called on the Government to take action on taxation, differentials, and better pay, and to show more understanding of British management's position.

Mr. Booth stressed that in present circumstances it would not be possible to relieve management from the substantial sacrifices being made by many members of the community in the interests of defeating inflation.

But this view failed to satisfy Conservative MPs. They cheered Mr. Prior when he maintained:

"The amendment was moved by Sir John Hall (C., Weymouth) who said British-made wine and beer producers did not have to pay duty until about 40 days after the drink had been sold."

Mr. Sheldon said the amendment would reduce the revenue by more than £100m. in 1976-77. This was something the Government could not afford to do at a time when everyone was aware of the problems facing the country.

He was supporting an amendment to the Bill to give a credit period for the duty payable on the removal from warehouse last night until the 25th day of the month following the month in which duty was charged.

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## Steel will contest Liberal leadership

By Philip Rawstone

MR. DAVID STEEL, Liberal spokesman on foreign affairs and former Chief Whip, last night announced that he would be a candidate for the party leadership.

Two other Liberal MPs, Mr. John Patten and Mr. Emyr Hooson, have already indicated that they will contest the election, planned for July after the party has agreed new procedures at a special conference in Birmingham next month.

Mr. Russell Johnston, MP for Inverness, is also expected to join the race to take over the leadership after Mr. Jo Grimond's "caretaker" period of office.

Mr. Steel, who consulted his constituency officials at the week-end about his candidature, said in London last night: "If you find yourself in the kitchen anyway, you might as well take charge of the menu."

Liberal MPs had decided, he said, that in future there should be a more collective leadership of the party than there had been in the past.

But Mr. Steel set out his own ideas on the party's future role. "It should not be that of a third shadow Government with a detailed policy on every single issue of the day, ready and waiting in the wings for a shift in electoral opinion to sweep us into power," he declared.

The Liberal task was "to spell out a clear view of the society we want to achieve to provide long-term goals to a people weary of the politics of pragmatism, expediency and compromise."

Mr. Steel said that the party should be ready to work with others to achieve its long-term programme. In any political lifetime, I have worked closely with those of other parties to promote certain causes—Europe, anti-apartheid, legislation on social reforms, housing, devolution, and electoral reform.

"The experience has not made me less of a Liberal, not compromised the independence of Liberalism," he said.

Liberal votes had been increasing among the under 35 age group, Mr. Steel added. "The opportunity before us is immense. Our role is to renew hope that a more tolerant, a more fair, a more caring, a more open society is within our capacity to create."

THE Department of Industry had no recent communication from the Iranian Government on the purchase of Concorde, Mr. Leslie Buckfield, Under-Secretary, stated in the Commons yesterday.

He told MPs: "In the absence of a firm order, the aircraft are being manufactured to a standard which, with relatively small modifications, would meet the requirements either of Iran Air or another purchaser."

Mr. Sheldon said the amendment would reduce the revenue by more than £100m. in 1976-77. This was something the Government could not afford to do at a time when everyone was aware of the problems facing the country.

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## LABOUR NEWS

# Dell spells out hard line on participation conditions

BY JOHN ELLIOTT, MANAGEMENT EDITOR

A TOUGH Government line on the conditions trade unions will have to meet in return for increased industrial democracy was spelled out yesterday by Mr. Edmund Dell, Secretary for Trade.

In his first major speech on the subject since taking over trade responsibilities in the recent Ministerial reshuffle, Mr. Dell stressed that any Government initiative would have to be "compatible with improved industrial relations, the efficient management of companies, and with an increasing level of investment of risk capital."

Mr. Dell is the Minister primarily responsible for industrial democracy, because of its company law implications and it will be to him that the Bullock inquiry on the subject will report next winter.

It is significant, therefore, that he should choose, in his speech, made in London yesterday at a meeting of the Industrial Society, to stress that the TUC's plan for 50-50 directors would add nothing to industrial efficiency. Mr. Dell stressed that an enterprise—a management before the man—must be measured by its profitability, not its ability to invest and expand, its competitive power.

Mr. Dell said: "We want workers to have a voice in the company law implications and it will be to him that the Bullock inquiry on the subject will report next winter."

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Britain, he added, could "not afford the luxury of radical change if the result is not to be greater efficiency."

Later, the conference was told that new participation arrangements in British Leyland were beginning to work well. "Senior shop stewards are showing themselves willing to shoulder responsibility in the interests of the company. They have also used their influence to end disputes, not to prolong them," said Mr. Geoff Whalen, Leyland Car personnel director.

"Too often in the past British Leyland took decisions without taking into account the industrial relations implications of these decisions, such as employee prospects in the areas affected," said Mr. Whalen, explaining the senior stewards were now playing a significant part in discussions on where in the Midlands a new £25m. plant should be sited.

But there was still a problem of how to involve middle managers who otherwise would begin to feel the "forgotten men," Leyland's present answer to this was for them to take part in discussions with senior management before the management participation committees met.

Europe divided on participation Page 11

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## HOME NEWS

## £70bn. oil revenue forecast from North Sea over 15 years

BY RAY DAFTER, ENERGY CORRESPONDENT

NORTH SEA oil development could make the U.K. self-sufficient in crude through the 1980s and possibly to the year 2000, according to a report published yesterday.

This output could provide the Government with a revenue of at least £70bn. at current prices over the next 15 years, according to Calfrey, Cline and Associates, U.K. petroleum consultants, in their latest study of the oil potential of the North West European Shelf.

They point out, however, that uncertainties of the Government's legislation on State-participation and tax rates have caused oil companies to react with "over-protective" caution for future development. Some have even hinted that the U.K.'s period of self-sufficiency might last for only three years.

On the other hand, the potential revenue of £70bn. means that the actual ratio of State taxation to production levels compared favourably with other major oil producing countries.

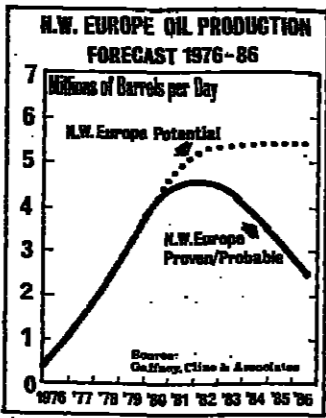
It must, therefore, be concluded that recent delays in development schemes have not simply resulted from the share of Government take, but rather to the manner in which this has been and is being determined.

Turning to the wider region of the North West European Shelf, the consultants say the area is still largely unexplored in detail. Nevertheless, it would continue as a major oil region through to the 21st century.

Latest forecasts showed that the production potential for the region may rise from 4m. barrels a day in 1980 to nearly 6m. barrels in 1984.

Energy conservation is necessary not only at present, but in the long term as oil and natural gas resources begin to diminish.

Prof. Sir William Hawthorne, Chairman of the Government's Advisory Council on Energy Conservation, said in London yesterday.



Source: Calfrey, Cline & Associates

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## Hawker man to head R-R support staff

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR. ROBERT L. LICKLEY, 64, who has been assistant managing director of Hawker Siddeley Aviation since 1965, is joining the National Enterprise Board on June 1, where he will head the Rolls-Royce support staff.

His task will be to help Lord Ryder, NEB chairman, and the rest of the NEB Board, to fulfil the responsibilities of the NEB set out in the recent memorandum on its working relationship with Rolls-Royce (1971).

This involves the NEB monitoring the financial situation of Rolls-Royce and assessing its major investment programmes, the funds for which will be channelled through the NEB. It will not be the NEB function to usurp the functions of the Rolls-Royce Board or interfere in that company's day-to-day management.

Engineer

Mr. Lickley's role, therefore, will be of considerable importance to Rolls-Royce. By choosing an aeronautical engineer of long standing with considerable management experience, the NEB has sought to make communications between it and Rolls-Royce as smooth as possible.

This is especially significant, in the light of the row that developed between Lord Ryder, NEB chairman, and Sir Kenneth Keith, chairman of Rolls-Royce, over the precise relationship between the two companies—and the two individuals—when it became known that the Government intended to vest its 100 per cent. ownership of Rolls-Royce in the NEB.

The dispute was eventually resolved by the memorandum of understanding published earlier

## Farnborough booked up

WITH FOUR months to go before the Farnborough air display opens on September 5, all the exhibition space has been sold and there is a waiting list of exhibitors, the Society of British Aerospace Companies says.

More foreign aerospace companies will be taking part than at any previous air display in Britain, with nearly 400 companies having booked stands, the largest group coming from the U.S.

More than 50,000 trade visitors are expected at the show, which lasts until September 12. Already, some 100 different types of aircraft are expected to appear in the daily flying displays, including several types not seen before in this country.

## Yearly basis urged for tax inspection powers

BY MICHAEL BLANDEN

EW POWERS to investigate tax evasion should be granted to the Inland Revenue only on an annual basis, it was argued yesterday by Mr. Desmond Airey, resident of the Institute of taxation.

He was speaking a day after Mr. Joel Barnett, the Treasury Secretary, had promised additional safeguards against use of the so-called "snooper's charter" provisions in the Finance Bill. Mr. Airey urged that "to put the constitutional rights of over 20m. taxpayers in serious jeopardy in order to counteract the activities of far less than 1 per cent. of a tax paying community is a wholly unpalatable step."

Mr. Airey told the Institute's annual general meeting that the powers being sought by the Inland Revenue would help in dealing with the small number of people involved in tax evasion and large-scale tax avoidance schemes. But he suggested that a problem partly arose out of unacceptably high rates of tax.

Mr. Airey also maintained at much of the tax legislation

of the past few years remained undigested and expressed concern about the effects of the increasing complexity of the law.

"The taxpayer will have the choice of being in breach of the law or employing an army of specialists to advise him in dealing with the specialist departments of the Inland Revenue," he suggested.

If the direct taxation system was to work, the concept of introducing or maintaining law which was not overtly tax yielding on a major scale should be abandoned.

"Complex legislation which is introduced simply to effect social justice without any prospect of a major tax yield must detract from the efficient operation of direct taxation," he argued.

The amount of time spent on marginal cases, both by the Inland Revenue and by the taxpayer, was "too great for efficiency." The raising of tax thresholds would lead to more efficient and cheaper tax collection.

## More tax relief for Manx residents

By Our Own Correspondent

INCREASED income-tax relief for Manx residents, a planned gross expenditure of over £50m. and an expected revenue surplus of £947,000 at the end of the current year are the main features of the Manx Budget speech delivered to the Tynwald by Mr. John Bolton, chairman of the Isle of Man Government Finance Board.

Expected revenue from customs and excise under the "common purse agreement" will be £12.5m. and general receipts £1.5m. Income-tax is expected to yield £13.5m., of which £1.3m. should have been collected in 1975-76.

Chris Baur evaluates the Conservatives' chances in Scotland

## Scotch mist politics

AFTER ALL the passionate rumpus and bell-ringing of last week-end's Scottish Conservative Party conference, when the Party revealed for the umpteenth time just how deeply divided it remains on the question of setting up an elected Scottish assembly, there occurred one of those timeless little incidents which highlighted the gulf of understanding which frequently exists between Scotland and Westminster.

While the conference participants dutifully rewarded Mrs. Margaret Thatcher with their standing ovation at the end of the Leader's rally, eleven strapping lasses wearing Young Conservative T-shirts, pruned to the front of the Perth City Hall and, for the benefit of the audience and the TV cameras, held aloft large cards bearing the message ASSEMBLY-OK. They then turned and faced their astonished leader and her baffled retinue with the unintelligible assertion—KOYLBMESSA.

Deciphering the message from Scotland has become a critical art for both major parties. Both have been forced by the weight of Scottish Nationalist sentiment, expressed at the last election and evident in local elections and opinion polls since, to patch together compromises on devolution. The Conservative compromise appears the more threadbare in Scotland simply because its prime objective has not been to clarify the type of assembly the party wants but rather to subdue so far as possible a revolt against any form of assembly by a minority of Scots combined with a majority of English MPs at Westminster.

The Shadow Cabinet's formula, endorsed against the raucous protests of a large section of the Perth conference last week, traded a commitment to vote against the Labour Government's devolution measures, in return for a pledge to create a much more modest assembly, functioning purely as a third chamber of Westminster.

There will be precious few Scottish votes in that policy for the Tories, and they know it. Since so many English MPs have loudly complained that they have had foisted upon them a devolution policy that has never been debated outside Scotland, it would seem strange indeed if the bone was not gnawed with some vigour at the Conservative annual conference this autumn. And judging by the warning snarls at the Shadow Cabinet by Tory backbench committees, the Commons already, the noise the Scots will hear from that gathering will probably be wholly anti-assembly.

Added to this is that the Tories will become nailed with the anti-devolutionist tag simply by fighting Labour's assembly legislation. Already there are signs that the pro-assembly Scots realise this and will attempt to preserve their position by lobbying for a free vote in the Commons.

Finally, there is a deeper-rooted philosophical difficulty for the Tories—reconciling themselves to their long-term decline in Scotland. Their wrangling over the assembly is perhaps the sharpest illustration of Party's traumatic loss of self-confidence, wrought by the

steady forfeiture of 20 seats and more than 600,000 voters in the two decades since it commanded a majority of constituencies and also the total poll in Scotland. With no more than three of its present 16 seats showing any capacity to cultivate working-class industrial support, the Party often appears to believe that the main reason why it should fear an assembly is simply because it could never hope to control the institution.

But all is not necessarily lost for the Conservatives in Scotland. The Party is, in fact, assuming that while it may not gain at all from its latest devolution stance, it might also just squeeze by without sustaining any great further damage as the Nationalists' handwagon hurries past its garden gate. It bases this on the comforting knowledge that the main thrust of the Nationalist attack, ever since the last election, has been directed against the Labour vote in those three dozen Labour seats where the SNP stands second.

There is, of course, enough incentive if they can be clever enough about it, for the Conservatives to try to wreck Labour's devolution legislation and watch Labour reap the whirlwind in Scotland while Mrs. Thatcher moves into No. 10. But even if this fancy jig cannot be accomplished, Conservative managers in Scotland seem to feel (and the opinion polls tend to confirm it) that Tory support is in any case beginning to stabilise, and is not about to plunge to new depths.

Labour's prospects are more difficult to predict. If the

Government is tempted into an election before it has delivered its devolution legislation, it will have only one despairing card to play in Scotland—the invitation to vote Labour on the ground that the Conservatives would never create an assembly.

One has to assume that the Government is as determined as it keeps saying it is to complete the assembly legislation. Its campaign is already being carefully orchestrated in Scotland. The March and April conferences of the Party's Scottish Council, and of the Scottish TUC, set the seal of unity on their joint campaign for a new, improved devolution package.

The two wings of the Party are demanding that the assembly be given some "economic power" through control of the Scottish Development Agency and the Highlands and Islands Development Board, and that the assembly's stature as a "domestic parliament" be secured by ditching the veto powers which the Government's November White Paper had proposed vesting in the Secretary of State for Scotland.

Both these concessions appear likely to be conceded and the Government may, it is felt by some, go further by giving the assembly wider local taxation powers than the single rates surcharge which was suggested in November. The Government is expected to show its eagerness on the issue by announcing these improvements perhaps before Parliament rises at the end of this month.

In Scotland, the Party is keeping its fingers crossed in the



The biggest threat of the Nationalists in Scotland is to Labour and devolution policies of Mr. Michael Foot.

hope that this "strengthened" Devolution Bill, when it emerges at the beginning of the autumn session of Parliament, will not lead to an uncontrollable rebellion by Labour backbenchers.

It assumes that a revolt can, in fact, be confined first under the discipline of conducting the debate in what will inevitably be an election-fever year, and second through the possibility of trading with anti-assembly MPs many of whom are assumed merely to be fighting to secure greater benefits for their regions. This might be done, for instance, by agreeing to create in English assisted areas development agencies similar to those already working in Scotland and Wales.

This formula, hammered out by Labour, will probably be enough to contain defections to the newly-established independent Scottish Labour Party. The new SLP has a long way to go before it has distinguished a place for itself between the independence platform of the Nationalists, and the sub-federalist platform of Labour.

The SNP has driven on with what was always its major

accomplishment—its cross-roots organising. The party now has a formidable machine, claiming well above Labour's Scottish membership of 75,000, and with a structure of about 520 branches that is now probably reaching saturation point. It is gradually eroding Labour's traditional industrial alliance and, while there have been no spectacular conversions or leading trade unionists to the Nationalist cause, there probably are far more SNP shop stewards throughout central Scotland than before.

None of this will necessarily be enough to lift the party over the hurdle to its goal of a majority of Scottish seats. My own guess is that in present circumstances, an election in the near future would probably see the SNP increase its representation at Westminster from the present 11 to about 20 or 30 MPs, and those largely returned at the expense of Labour. This would not secure anything like the reforms for which the SNP stands; but it would dramatically change the character of politics at Westminster.

# "Leadership in technology depends more on people than on machines"

From a report by Dr. M. Appl of the BASF Ammonia Department.



Without ammonia synthesis, it would no longer be possible to meet the world's demand for fertilizers. This method of producing ammonia on an industrial scale was first developed by BASF. In the last twenty years, it has undergone hectic growth, which is of enormous significance for the



world's food supply. Such progress would never have been possible without the development of high-pressure techniques, a field which BASF have pioneered from the very beginning. BASF's high-pressure techniques also played an essential part in many other major processes

requiring pressures as high as 3200 bar (atmos.). Today, the demands imposed by the need to optimise energy consumption and preserve complete safety are even more severe. It is to these aspects that BASF process engineering is devoting its attention at present.

In the field of advanced technology there is only one way to keep ahead: by employing the best brains.

Brains are people; and BASF have achieved their position as leaders in the chemical industry by treating people as first in importance. As a result, BASF now employ over 10,000 people in research many of them distinguished scholars in their fields.

BASF put people first. Not only people at the frontiers of technology but the people who buy and use BASF products. People in industry who use our dyes and printing inks and dispersions, adhesives and plastics and intermediates. And you, the people whose lives are touched and affected by BASF products at every point. Human benefit is the main criterion by which all the research, the technology, and the products are finally judged.

There is a brochure that tells you all about BASF. Write for your copy to the people concerned. BASF United Kingdom Ltd. P.O. Box 4, Earl Rd., Cheadle Hulme, Cheadle, Cheshire SK8 5QG.

Name \_\_\_\_\_ Company \_\_\_\_\_  
Address \_\_\_\_\_

## BASF are the people concerned

# BASF



# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PROCESSES

### Consumes batteries cleanly

A COMPLETELY closed lead acid battery reclamation furnace, the first of its kind in the U.K., is to be installed by Britannia Lead Company. The company is in the course of developing a new secondary lead recovery plant next to its main refinery at Northfleet, Kent.

The furnace, of Danish design, is an advancement of technology originated in West Germany by Varta Batterie AG. It is a closed operating system achieving very high temperatures, in which oxygen is used in the blast area and a series of after-burner chambers finish the combustion process by ensuring that all the hydrocarbon particles are burned.

In addition to the environmental advantages, the need to break open the batteries by hand is obviated, the danger to workers from acid splashes is minimised, and health hazards are removed.

Design, construction and management contract for the new plant has been awarded to West's Civil Engineering of Slough. When commissioned in 1977 the plant will be able to produce 30,000 tonnes of lead per year.

### Rotary rubber curing

AUTOMATIC production of endless rubber products is possible on a prototype machine developed by Pathex (Canada), 74, Rainside Road, Don Mills, Ontario M3A 1A3.

Primarily developed to produce pre-cured rubber tread for tyre recapping, this rotary curing press is stated to offer a number of advantages compared with conventional flat bed machines. The company says the system should be attractive to recappers of truck tyres and "off-the-road" tyres for construction and farm vehicles. It can also be used for the production of endless conveyor belting, endless matting, and recapping tread for car tyres.



A large storage vessel being welded into shape at the Petrosar petrochemical plant which is now being constructed at Sarnia, Ontario. The \$C.750m. plant is Canada's first large scale project of this type and will provide products for its own partner companies, Du Pont of Canada, Polysar, Canada Development

Corporation and Union Carbide Canada. The 400-acre plant will process crude oil delivered by pipeline from Alberta and when fully operational it will need 170,000 barrels a day. About 53,000 barrels will be processed into petrochemicals and the rest into fuel oils and gases.

Capable of handling all rubber compounds, the rotary action of the press makes it suitable for incorporation in a complete processing system, that could include downstream equipment for product cooling, buffing and wind-up.

The press requires a hydraulic power pack, electric and air supply, condensate discharge connection, and a steam supply—it is said to use about one-third the steam required for curing by a conventional flat bed press.

The prototype machine has a 3 feet drum diameter and 2 feet drum width, making it capable of simultaneously processing two webs of tread stock, each 10 inches wide, or a single web of tread stock, conveyor belting, etc., up to 24 inches wide. The machine operates in cycles involving drum rotation of about

### Automatic waste stripper

DEVELOPED in Japan, the Dainippon DN Auto-Stripper provides automatic stripping of waste in the course of box and carton making. It is said to offer considerable savings in time and cost compared with conventional manual methods.

The equipment employs a system of upper and lower pins that are set according to the needs of each individual job. No special skills are required to operate the machinery.

A pile of die-cut sheets can be fed at speeds up to 18,000 hr. through a conveyor system where they are stripped, the waste portions being automatically separated and discarded while the resulting clean banks are conveyed to the next process.

The machine is available in six models of a standard design, with sheet size capacities ranging from 700 by 970 mm to 970 by 1,300 mm. It can also be supplied with whatever modifications are necessary, and is marketed in the U.K. by Smyth-Horne, 2 Pegasus Road, London N18 2LW (01-503 6301).

## ELECTRONICS

### Moves in teletext

COINCIDENT with the news that BBC2 is to carry additional teletext material in support of the Ceetax service on BBC1, Labgear, a TVe subsidiary has announced a new "stand alone" teletext adaptor for use with existing sets and Texas Instruments has indicated production availability of its Tifax XM-11 decoder board.

Interest in the Labgear adaptor centres around its price and the ability simply to plug it into the TV set's coaxial socket and a TV aerial socket.

Considerable questioning at yesterday's London press conference showed Labgear unable to quote an exact starting price other than hinting it would be "about half the price of a 26 inch colour set," implying about £260.

The company has shown some courage in making a "green field" start in this area: there are still only about 250 hand-made units of all kinds in the field and Labgear admits to having conducted very little market research into what the public will pay.

The "chicken and egg" problem remains: until units are widely installed for people to see, they will not be convinced in large numbers, and until prices come down (implying large scale production), sales are slow.

Labgear believes that a start must be made with those who have been readily able to purchase colour TV—those that have spent and will, it is hoped, spend again. Certainly the company is convinced that the external adaptor approach will be

more attractive to such buyers than premature replacement of the whole set.

Best prospects are seen to be those viewers with sets up to about three years old—there are some 5m. of these and few of them are likely to want to replace their receiver by another with in-built teletext facilities, claims Labgear.

First trade showing of the unit, called CM7026, will be at the Home Electronics and Domestic Appliances Exhibition at the National Exhibition Centre in Birmingham (May 23 to 27). It is easy to use, involving button pressing for both channel and page selection. No discernible picture degradation is introduced by it.

Interestingly, Labgear appears to be the first manufacturer to announce the use of the Texas Instruments XM-11 decoder board, production of which is now starting at Bedford: for supply during the summer.

The board is aimed mainly at set makers incorporating teletext facilities within the receiver itself. The company states that the module will enable receiver manufacturers to supply teletext receivers at less than half the current cost of those using the Tifax solution.

It consists of a set of dedicated LSI components on a single printed board, requiring only a keyboard, single five volt supply and six connections with the receiver. Decoding is to the BREMA specification.

GEORGE CHARLISH

## MATERIALS

### Converts waste into board

RECOVERY and reclamation of waste mixed plastics by conversion to a multi-purpose building board is being undertaken by Reclaim International, Burtonhead Road, St. Helens, Merseyside WA9 5DS (0744 33201), a National Franchise Corporation.

Raw material supplies, mostly from industrial sources, within 50 miles of the plant, will be collected by another NFC subsidiary—Waste Clearance (Holdings).

Called Turbord, the material is supplied in sheets 8 feet x 4 feet x 1 inches thick, weighing about 25 kg and coloured black. It can be worked with conventional power or hand woodworking tools, and fixed with screws or nails—adhesive is not recommended. The boards can be welded together with a hot-air gun and polyethylene welding rods.

Major field of application is expected to be in farm buildings for use as cladding, partitioning and fencing. It has a Class 3 surface spread of flame rating, and is stated to have a higher impact strength than

hardboard, asbestos cement and chipboard. Moisture content, water absorption and permeability is almost nil, it requires no protective coating, and can be steam-cleaned or high-pressure hosed. Service temperature range is -25 to +70 degrees C.

### Tough epoxy flooring

EPOXY RESIN flooring screed able to withstand aggressive wear, chemical attack and steam cleaning, has been developed by CBP-Tercol, Cleveland Road, Hemel Hempstead, Herts, HP2 7DL (0442 3101).

Nitrogren 312 screed—made from solvent-free epoxy resins filled with high crushing strength inert aggregates—has been formulated to ensure low odour, both during application and after full cure.

Laid down thick, it is said to provide a surface with a compressive, flexural and tensile strength in excess of concrete.

Available in brick-red, the floor will withstand the abrasive effects of heavy trucking and contact with a wide range of chemical and acid solutions. At 20degC the floor will cure sufficiently to withstand foot traffic in 16 hours. Full cure is reached in six days.

## TEXTILES

### Cuts and seals man-made fibres

MADE BY Engel GmbH in Germany, a range of thermo-cutting units is available for cutting and sealing synthetic woven and knitted fabrics; for removing excess material from spools and shafts; and for cutting and welding ropes, cords and cables made of fully synthetic fibres.

The range extends from small portable hand tools to higher capacity models with ten-step temperature control. With all models there is a selection of cutting blades. A thermostatically controlled heat available enabling the cutting temperature to be set between 200 and 600 degrees C.

The tools are marketed in the U.K. by Kelgray Products, Bywell House, South Godstone, Surrey (034255 3003).

## HAND TOOLS

### Quiet screwdrivers

QUIET reversible pneumatic screwdrivers have been introduced by Desoutter Brothers, The Hyde, London, NW9 6ND (01-265 7050).

The 25AD8 range of screwdrivers has an externally adjustable spring-tension clutch, giving a torque range of between 3 and 100 lbf.in. The clutch is useful when used with the company's range of angle-head attachments. Pinel clutch drive sizes of either 5/16-inch or

## OFFICE EQUIPMENT

### Tickets instead of money

WHERE MANAGEMENT wishes to control cash, speed service, and improve hygiene, the Scribex vending machine will issue tickets or stamps in exchange for coins. A typical version, used in a works canteen, issues 5p tickets for 5p or 10p coins; the tickets are then exchanged for meals.

The machine is said to have applications where goods and services are supplied at a standard price and cash control is difficult. Examples quoted are: admission to clubs and places of entertainment; admission to sports facilities; issue of medicines against prescriptions; issue of savings stamps in clubs and retail premises.

The Scribex is electrically operated and can be supplied to accept 5p, 10p or 50p coins or a combination of these coins. It holds a roll of 3,000 tickets or stamps—when the roll runs out an "empty" sign is illuminated and coins are rejected.

Automatic Business Machines, Weyford Road, London, SW6 6SE (01-874 3311), which markets the machines, says a feature is a non-resettable counter which allows the keyholder to check the cash taken against the number of tickets sold.

### Franks with clarity

COMPACT postal franker Neo-post 2205 is designed mainly for smaller offices and for departments and branches of large organisations.

Able to frank any package up to 7.2 mm. thick the machine is clean to use, quiet in operation and measures only 339 x 273 x 151 mm. (weight 8.5 kg.).

As soon as an envelope or label is placed in the correct position it is franked, ejected and stacked. An envelope placed in the machine will be supplied with a self-sealing unit, by action.

Large clearly displayed selector wheels covering up to 99p and the machine is fitted with ascending and descending locking maximum power rating (than meters). Provisional price is £270. Write to a million operator More from Romax-Neopost, 74 TPC Corporation Group Europe, Upper Richmond Road, Putney, London SW15 (01-874 0404) 81501).

### Flying controls by DOWTY

Cheltenham, England

### Machine for students

HAND-HELD calculator aimed at secondary school students has been introduced by Texas Instru means, 165 Bath Road, Slough SL1 4AD (Slough 35544).

Designated TI-1270, this four function machine has a store and recall "scratch pad" memory and four function keys that have been recommended by math teachers for student use—reciprocal, square, square root and pi. Suggested retail price is £12.95 including VAT.

A single chip machine, the TI-1270 weighs 170 gms. (6 ounces) and is operated from one nine volt battery. A main adaptor is available at £2.95.

### COMPONENTS Long-life switch

A SHORT travel low-profile electronic switch for printed board applications has been introduced by TTT.

Featuring a dual diaphragm contact assembly, it is claimed to have a dramatically increased life compared with equivalent switches using standard contact.

Height of the board is 10.5mm and the switch, called type DME, is suitable for nominal 0.1 inch pitch PCBs. Contacts are seal label is placed in the correct position it is franked, ejected and stacked. An envelope placed in the machine will be supplied with a self-sealing unit, by action.

Optional, one or two LE wheels covering up to 99p and the machine is fitted with ascending and descending locking maximum power rating (than meters). Provisional price is £270. Write to a million operator More from Romax-Neopost, 74 TPC Corporation Group Europe, Upper Richmond Road, Putney, London SW15 (01-874 0404) 81501).

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The M/S Mandarincore is a fully refrigerated Israeli flag vessel. Vessel Number M/S-189. She was built by A/S Bergen M/V in March 1968 at Bergen, Norway. She has a dead weight of 9,710/8,420, registered gross of 8,185/5,927, and net of 4,812/3,356 (CSD/OSD), with an overall length of 485 feet 0 inches, a breadth of 65 feet 10 inches and a molded depth of 41 feet 0 inches. Classed Lloyd's Register of Shipping UMS-100 AL + LMC + RMC, passed December 1972. Engines are 3 and W diesel of 11,500 bhp. Speed 19.5 knots loaded. Reefer capacity 415,510 cu. ft. reefer bale.

For information contact: The United States Marshal for the District of Hawaii, Federal Building, 335 Merchant Street, Honolulu, Hawaii 96813 - Telephone (808) 546-2160.

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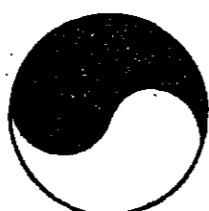
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## The Executive's World

EDITED BY JOHN ELLIOTT

Christian Tyler explains the EEC's worker director plans and puts them into a U.K. context at a time when the Bullock Inquiry is examining industrial democracy

## Europe divided on participation

IT HAS BECOME the conventional wisdom of politicians in all nine member States, and bureaucrats in many Western European countries, that worker participation will lead to orderly labour relations and to industrial stability. But there is little agreement within the need to institutionalise the already considerable bargaining power. The CBI has also voiced many strong reservations.

In Britain the numerous strands of this controversial debate are being presented in evidence to the Bullock Commission on industrial democracy which it is in the private sector. What Bullock has to say when it reports next winter about the role of workers in the running of private companies in this country could therefore have an important influence on the shaping of a European policy—specifically, on the plans of civil servants in the Brussels headquarters of the EEC Commission and on the decisions of the Common Market Ministers.

## Euro-companies

This is because the EEC institutions in Brussels are still grappling with the problems of devising worker participation policies both for Euro-companies and for the rest of industry and commerce in the Common Market.

Britain's membership of the EEC has in a sense complicated this discussion and it could even hold up the progress already made in Brussels towards creating a formal frame-

work for worker representation in all nine member States. Along with the French and the Italians, some British trade unionists (though not the TUC itself) are far from convinced of the need to institutionalise their already considerable bargaining power. The CBI has also voiced many strong reservations.

In Brussels the argument for creating worker directors to sit on supervisory company Boards starts with the need for a common foreign policy, which it is said can only be effective if there is greater internal economic and monetary harmony. The EEC is still far from achieving such harmony, which in turn is partly due to the lack of industrial stability. This stability can only be secured with the co-operation of employees—hence the need for employee participation.

From this standpoint a proposed European framework for industrial democracy has been embodied in two main EEC policy documents: a so-called fifth draft directive of 1972, now the subject of a "green" paper issued last November, and an amended proposal of 1975 for a "European company" statute.

Of the two, the draft directive and its green paper will ultimately have the wider importance but at present it is not so advanced as the statute.

The European Parliament has only just begun what could be a year-long discussion on it and by the time a proposed directive has been prepared the Commission will be on the verge of re-forming. That puts any introduction forward to at least 1978, and possibly to 1980.



Mr. Finn Olav Gundelach, of Denmark, the EEC Commissioner responsible for worker participation

The 1972 draft directive called for a two-tier company structure with worker representatives on a top-level supervisory Board. But it was to be left to individual countries to decide what proportion of seats the workers should hold and how they should be elected—for instance, whether they were to come from trade union members only or from the company's labour force at large.

The further advanced, having been discussed by the European Parliament in 1974. Last year the Commission reconsidered its ideas which it had hoped would be implemented this year.

But partly because of lingering objections in principle from some countries—Britain among them—and partly because of the international economic crisis, Commission spokesmen now hold out little prospect of EEC Ministers adopting the policy so quickly.

The green paper broke new ground by proposing that there should be some kind of transitional arrangements—including single tier boards with or without workers sitting on them—that would allow countries to move gradually towards what will ultimately be a compulsory framework for the Nine member states. But it did not budge on the primary aim of an ultimately binding system.

The paper also reflected well-known trade union anxieties by stressing that the appointment of worker directors should not limit the scope of traditional collective bargaining. At the same time it underlined the point that collective bargaining usually takes place after management has made its decisions. The point of worker-directors is that they would be in at the policy-making stage.

Whatever finally emerges from this directive will probably have a far greater impact across the EEC than the proposals for the Euro-company statute which are optional in that no concern can be forced to turn itself into a Euro company.

The statute is, however, the further advanced, having been discussed by the European Parliament in 1974. Last year the Commission reconsidered its ideas which it had hoped would be implemented this year.

But partly because of lingering objections in principle from some countries—Britain among them—and partly because of the international economic crisis, Commission spokesmen now hold out little prospect of EEC Ministers adopting the policy so quickly.

Following debates in the European Parliament last week illustrate dramatically the reluctance of Europe to come to terms with commercial bribery following the withdrawal in the U.S. of the traditional confidentiality accorded to relations between big business and governments. Several European Deputies, including Mr. Michael Stewart, the former U.K. Foreign Secretary, pressed for the creation of an EEC committee which would scrutinise multinational companies in Europe in the same way in which Senator Church's committee of Lockheed fame does on the other side of the Atlantic.

The reaction of M. Albert Borschette, the EEC Commissioner for Competition was negative and indignant. He saw the problem to be entirely within the area of criminal law of member states. He did not see how competition rules of EEC could be applied.

## All workers

Election of the worker directors would be from the ranks of all the company's workers, although trade unions could put up their own candidates. This cuts across the union-only model espoused by the British TUC, as well as the 50-50 split of workers and management on the Board that the TUC wants.

The Strasbourg model has the backing of the European Trade Union Confederation, whose voice is increasingly heard inside EEC institutions, but has been condemned by industry. Only last week, however, a group of leading British Conservative MPs broke new ground by backing the Euro-company.

The Euro-company statute also calls for the creation of Europe-wide works councils within companies which decide to register centrally. It also envisages collective agreements being struck across frontiers—ideas which, if taken up, could have a big impact on national trade unions' own conduct and attitudes.

This is the EEC context of the debates and legislative experiments going on in most of the nine countries. Of the nine, West Germany is in the forefront, with a law becoming effective this summer that would increase worker representation to 50 per cent in all companies of over 2,000 employees.

Whether Britain, with perhaps the least-developed formal worker representation in Europe but probably the strongest collective bargaining, decides to follow, could depend largely on what Lord Bullock and his committee of inquiry recommend to Parliament next winter.



## Fresh attitudes on bribery

BY A. H. HERMANN

EVENTS WHICH took place in the European Parliament last week illustrate dramatically the reluctance of Europe to come to terms with commercial bribery following the withdrawal in the U.S. of the traditional confidentiality accorded to relations between big business and governments. Several European Deputies, including Mr. Michael Stewart, the former U.K. Foreign Secretary, pressed for the creation of an EEC committee which would scrutinise multinational companies in Europe in the same way in which Senator Church's committee of Lockheed fame does on the other side of the Atlantic.

The reaction of M. Albert Borschette, the EEC Commissioner for Competition was negative and indignant. He saw the problem to be entirely within the area of criminal law of member states. He did not see how competition rules of EEC could be applied.

## Penal codes

All European countries provide in their penal codes for severe punishment of those who offer or solicit bribes. It is an offence for an outsider to pay an official for performing his duties, and an even more serious offence to pay him for abusing his powers. Contributions to the funds of political parties must be reported, at least in some countries, and everywhere politicians' careers can be ruined when it emerges that they have taken money.

Until now all these rules had to be feared only by small operators. Big business had too much at stake to risk disclosures concerning the powerful or influential. The armaments industry, in particular, always had a "code of conduct" of its own. In France commissions paid by exporters range between 5 and 20 per cent of sales and this can provide plenty of scope for illicit payments by the agent.

Those experienced in the art know that there are countries where one can avoid becoming involved only by getting out of business. The crux of the matter is not so much whether to pay or not to pay, but how to make sure that the payments are not more than absolutely necessary. The popular image it to tackle.

family-dominated relations of a wily executive corrupting between Government and big business, there is no need to resort to such crude means as paying money. Promotion and prospects of lucrative retirement jobs in industry have always been the favourite method of influencing civil servants on the Continent.

While France sticks to its *savoir faire* and the new wave of U.S. puritanism has not led to more than raised eyebrows, Italy has been thrown by the Lockheed disclosures into a turmoil of passions. The Press is ablaze and there have been several casualties among public figures, including a former Minister of Defence, a former air-force chief now in prison, and the leader of the Social Democratic Party, now dismissed.

In the past, Italian anti-bribery laws have not been enforced, at least where it matters. But now the business community has another worry because law firms, through which illicit or political payments have usually been channelled, are becoming more cautious.

In contrast with developments south of the Alps, Germany remains soberly efficient and unruffled. Relations between political parties and industry have always been close and political parties can obtain donations from domestic or foreign companies legally as long as they disclose single payments over DM20,000 (£4,500). When donations are split in smaller sums or passed through intermediaries no disclosure is necessary.

The need to make pay-offs in order to get orders abroad is accepted and German tax officials are only trying to determine whether bribes are accepted business practice and therefore deductible from profits of the paying German company.

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relations of a wily executive corrupting between Government and big business, there is no need to resort to such crude means as paying money. Promotion and prospects of lucrative retirement jobs in industry have always been the favourite method of influencing civil servants on the Continent.

However much international executives dislike underhand deals, they sooner or later learn that in some countries such payments are the accepted form of levelling taxes or financing the machinery of Government. As administration improves and a strong central power emerges, pay-offs will be declared unethical, illegal or even treasonable. At present Iran provides an example of a vigorous anti-corruption campaign, while in countries like Saudi Arabia or Nigeria the recent developments did not lead to any perceptible reaction. There are still many countries where petty officials depend on bakhshish while princes demand commissions as a levy.

## Confidentiality

The end of confidentiality in relations between companies on the one hand and governments and their members and officials on the other will necessitate radical changes in the selling methods of large companies and their chief worry at present is that the competitor will be more daring or as they prefer to say "less ethical." They feel the need to get together and compare notes.

The need for new solutions has led to the mushrooming of international committees. A commission under the chairmanship of Lord Shawcross has been established by the International Chamber of Commerce and had its first procedural session on April 23. It will take about a year to report. The problem is also on the agenda of various international bodies, considering "codes of conduct" for multinationals such as the OECD and the UN.

All these bodies are mostly talking shops. But more effective action is likely to come from the European Community which has in its competition rules an enforcement mechanism readily available for safeguarding any policy adopted by the Nine. The Community has however not yet realised that here is a major task for it to tackle.

## BUSINESS PROBLEMS

BY OUR LEGAL STAFF

## Possession of a warehouse

In a reply under Agricultural tenancy on March 17 to an inquirer who had let pasture land at an annual rent of £100 on a six-monthly basis, you wrote that as the tenancy is not for periods of less than a year, the tenant would have protection from eviction. I found this difficult to understand and wonder whether the advice I had received was sound. If I let a warehouse for a term of not more than six months and without a clause for renewal, I

could be sure of obtaining possession. Is this correct? The land in question was subject to the special provisions of the Agricultural Holdings Act. The advice which you have received is sound. A letting for business purposes will not fall within the protection of Part II of the Landlord and Tenant Act if it is for a period not exceeding six months and the tenant is not permitted to remain as a tenant beyond his term.

## Commodity deal tax

I brought 25 tonnes of copper wire bars a year ago and still

hold this. Can you tell me as to how my profits are treated, as earned income or by capital gains tax?

You do not give us much to go on, but the likelihood is that the purchase and eventual sale of copper wire bars (for which we presume you have no use) will be regarded as an adventure in the nature of trade, so that any profit will be taxable as income, not necessarily as earned income.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

## Two tiers

Initially the Commission proposed a two-tier structure giving worker directors a third of the seats on the supervisory Board, while shareholders would command the rest. European industry said this went too far but the unions insisted that it did not go far enough and suggested instead that one-third of the directors should represent outside interests.

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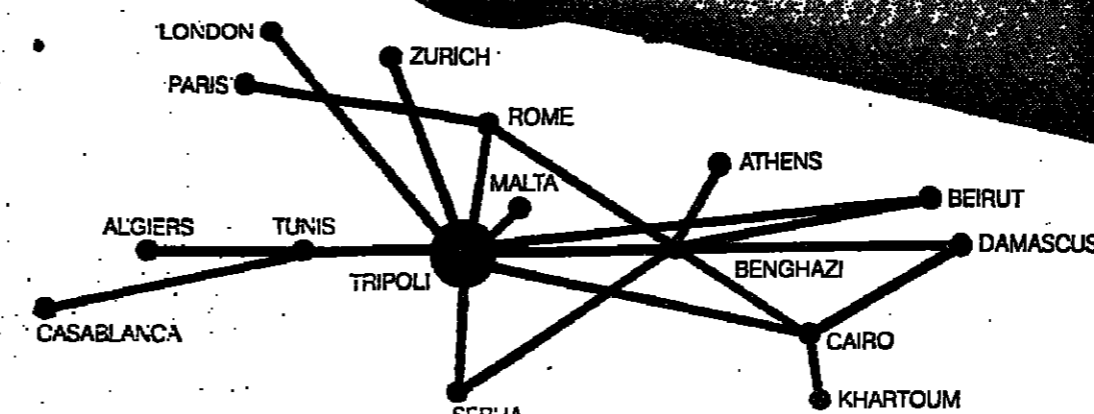
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WEDNESDAY, MAY 19, 1976

## The cost of Soviet arms

THE SOVIET ARMS build-up has been a lively subject of controversy in recent months, both in the United States and in Western Europe. At first glance, the latest calculations on Soviet military spending, which were presented in the House of Commons yesterday by our Defence Secretary, would seem to imply that Moscow's arms build-up is even bigger than had previously been thought. In fact they represent a reassessment of the economic cost of the Soviet military programme, measured in roubles and as a proportion of GNP, rather than any revision of Soviet military strength.

## Measurement

One of the main problems involved in comparing Soviet military expenditure with that of any of the NATO powers is to decide which currency to use for the purposes of measurement, and to estimate relative prices for different items of defence budgets. Soviet manpower is almost certainly a lot cheaper, in dollar-cost terms, than American manpower, especially since the introduction of a volunteer army in the U.S. American high technology, may well be a lot cheaper, in dollar terms, than Soviet high technology—but some of it is still so far ahead of anything developed in the Soviet Union as to be, literally, priceless.

Insofar as these methodological problems can be overcome, and insofar as Western intelligence has been able to make plausible estimates of the rouble costs of Soviet military spending, it is possible that we now have a sounder appreciation of the economic effort implied by the Soviet build-up and thus of the political priority attached by Moscow to its military strength. If it is true that the Soviet Union devotes 11-12 per cent of its GNP to defence, and has been doing so for the past decade, compared with earlier estimates of only 7 per cent, then it is clear that Moscow attaches much more importance, relatively, to military might than any of the NATO countries. The new calculations

should not persuade us that the Soviet Union is stronger than we thought it was, but they may change our perceptions of Soviet policies and intentions. They need not do so, however; much more would have to be published about the detailed breakdown of the new assessment before that became the inescapable conclusion. Military equipment programmes have a long gestation period, and the new generation of Soviet missiles was being developed before the 1972 Strategic Arms Limitation agreements encouraged talks of détente.

Yet whatever the uncertainties about the details, it is clear that the new assessment calls for serious debate about Soviet intentions. Against the background of mutual deterrence, we have become accustomed to the idea that, for the immediate future at least, the Soviet Union is unlikely to launch a frontal attack in Central Europe, if only because the risks would be too high. It has also become customary to discount part of the Soviet defence effort, either because it is necessary to hold down reluctant allies in the Warsaw Pact, or because of a potential danger on the Chinese border, or because the Soviets wanted to achieve nuclear parity with the U.S.

## Danger

Perhaps the main danger is not so much that of a frontal attack on the Western Alliance, but of a strategy of divide and rule, in which the Soviet Union would attempt to use its enormous power to influence, over-awe and eventually pick off individual countries, especially those on the fringes of NATO. The best response to such a danger is for the European members of the Atlantic Alliance to strengthen their military, and above all their political, links so as to minimise the risk of Finlandisation. It may also be necessary to consider the case for higher defence spending, but only in the context of closer political integration within the context of the Alliance.

## Company finance in the upturn

CHANGES IN THE level of industrial and commercial stocks have a notoriously large effect on the level of demand and output, the balance of foreign payments, and the financial position of the company sector. Last year stocks held by manufacturing industry fell by £800m; even after allowing for price changes, this is by far the sharpest fall to have taken place in the past generation. Yet the drop in industrial output was also unusually large in the recession which has just ended, considerably larger than the drop in stocks. When one takes into account not only this fact but the tendency for destocking to lag some twelve months behind the fall in output generally, one might come to the conclusion that destocking is likely to continue, perhaps even at an increased rate, for most of 1976.

Having set out the historical reasons for expecting such a trend, however, an analysis of prospective company finance just published by Greenwell and Co. goes on to produce fairly convincing reasons of a different kind for expecting that no further significant change in manufacturers' stocks is likely to take place. These include the fact that the overall high level of stocks conceal how they have been heavily run down in particular industries and the relative attractiveness, given the weakness of sterling and the extension of tax relief, of investing in stocks. All in all, the analysis concludes that the physical level of stocks is likely to remain roughly unchanged in the first half of 1976 and to begin rising again in the second.

## Financial deficit

This conclusion, which has also been reached by a number of other analysts, is heartening so far as the outlook for industrial recovery is concerned but less encouraging for those who are concerned about company liquidity. Yet liquidity is reasonably comfortable at present. If ground there is to recover in this direction before the rapidly rising business upswing can gather the momentum needed to bring up of a cyclical upturn and if employment down to a more tolerable level.

Despite a White House denial that Mr. Ford and Mr. Vorster are about to meet, Black Africa is not impressed by the "new" American policy towards it. Bridget Bloom reports

## Dr. Kissinger's unsolved puzzle in Africa

ON A CRISP morning in Washington last week, Dr. Henry Kissinger sat in the well of a lofty committee room on Capitol Hill. At his back in cramped rows were some 200 citizens who had come to listen to the U.S. Secretary of State testify on what he himself, on his recent whirlwind tour of Africa, had bailed as a new era in American policy towards that continent.

The audience that really mattered, however, comprised eight of the most important Senators of the Foreign Relations Committee. From their semi-circular panelled desks high above him they listened attentively and questioned toughly. Perhaps it was his interior positioning—coupled with growing domestic (if mainly electioneering) criticisms of his role—that put Dr. Kissinger on the defensive. Whatever the reason, his statements and his answers were markedly different in tone and often in content from his "key-note" Lusaka speech two weeks earlier—the first public declaration of the "new" Africa policy.

The major section of Dr. Kissinger's Lusaka speech dealt with Rhodesia, to whose white minority Government the U.S. Secretary announced Washington's "unrelenting opposition." He further spelt out "ten elements" on which U.S. policy for a just and durable Rhodesian solution would be based. The first was support in the strongest terms for the proposals made by Mr. James Callaghan, on March 22 that a transfer to majority Black rule must take place within 18 months to two years of the conclusion of negotiations.

Unita coalition further lowered American politics in an election year, make it unlikely that the Ford to call in Congressman John J. Rhodes, the House Republican leader, and tell him categorically that the White House believes that the situation is more complex, and that Republicans and southern Democrats alike would resist any pressure to repeal the amendment until the election is out of the way. Certainly no action is to be expected before the end of the primaries in June, and probably not before the Republican Convention in August. And then the dying days of an Administration are not going to be the ideal time for a controversial foreign policy measure.

## Mandatory UN sanctions

Dr. Kissinger's other key elements were the repeal of the Byrd amendment, which authorises the U.S. in contravention of mandatory UN sanctions, to import Rhodesian chrome; a pledge to use U.S. influence to get other industrialised nations to strengthen sanctions; a warning to U.S. State that had very little interest in citizens not to remain in or go to Rhodesia; \$12.5m. to aid Mozambique to overcome the effect of imposing sanctions on Rhodesia.

The ten points are the nearest Dr. Kissinger came during his African tour to committing the U.S. to firm action in southern Africa. While he was at pains to emphasise the U.S. commitment to African economic progress (and announced plans for an additional U.S. economic aid sented a change from the past, the UNCTAD conference in the Nairobi) about Namibia (South West Africa) and South Africa minority in Rhodesia. Equally itself he was vague. On Namibia, he contented himself however, Dr. Kissinger seemed

to have moved from his pre-occupation with Russian and Cuban activities in the continent. Whatever their political persuasions or international affiliations, African leaders have been almost universally offended by the U.S. Government's propensity in the past few months to see African problems only or principally in terms of Big Power rivalries. Nevertheless, Africa's welcome for the Lusaka speech was tempered with caution. Like Senator Humphrey, many African leaders have been anxious to see whether Dr. Kissinger's promises will be translated into action, and that there must be doubt. In particular the realities of

supplies, has proved meaningful debate was postponed principally because the African group at the UN saw the long-term dangers of confronting the U.S. with the necessity of taking a stand at this stage. Needless to say, a U.S. veto would not have improved the prospects for the Byrd amendment. Dr. Kissinger's "new era" to say, a U.S. veto would not have improved the prospects for the Byrd amendment. Dr. Kissinger's "new era" to say, a U.S. veto would not have improved the prospects for the Byrd amendment.

However, if to Black Africa have improved the prospects for the Byrd amendment, it would be seen as an admission of weakness by the Republican Right. American politics and would not accept a failure to repeal of Mr. Ronald Reagan, President Ford is currently under the heavy fire. The Senate has already voted to repeal the amendment, and it is thought the most worrying aspect of the problem is seen in the House of Representatives. Some observers

## Most for his cause

Both the Senate testimony and the Lusaka speech are remarkable not only for what they say, but what they leave out. There was apparently no understanding of one of the central issues of African politics over the last 20 years: a Black African under the rule of a white minority Government is a nationalist first and foremost. Ultimately he will favour those who do most for his cause whatever their ideology.

Equally notable was Dr. Kissinger's attitude towards South Africa itself, one of the acknowledged keys to the political future of the whole of southern Africa. His condemnation of apartheid (the word itself was not used); the vaguely expressed hope that there will be peaceful and "moderate" change in the Republic; the gentle "carrot and stick" approach to South African-controlled Namibia; and the more recent announcement of direct Washington-Pretoria (though not actually Ford-Vorster) talks: all are being interpreted in the Republic—such as the realities of South African politics—as an encouragement to South Africa to continue along the same road as before.

Some of Dr. Kissinger's Senate critics declared last week that, though the new policy on Rhodesia was welcome, it was probably too late. Others used that point to draw a lesson for the future from the present lack of policy on South Africa. Mr. Dick Clark, the energetic and active new Chairman of the Senate Foreign Relations subcommittee on Africa, summed up a different one: "We talk a good game, and while not understanding play a different one... If there is no action, or the wrong action now, he said, it would have been better had the Secretary not made the Lusaka speech at all.



Dr. Kissinger meets President Kenyatta during his recent tour in search of contact with Black Africa.

Most observers now seem to agree that whatever the situation at the time, American strategic interests would not now be jeopardised if the ban were reinstated. According to Senator Charles H. Percy (a Republican who has recently visited Southern Africa) the U.S. now has four years' chrome stockpile and one of the major reasons for the amendment, an overdependence on Soviet

House itself—to veto. The

It should be said at once that Dr. Kissinger—and with him President Ford—is operating in very difficult political circumstances. Africa has barely been a direct electoral issue. Dr. Kissinger's "pro-African" remarks in Lusaka being the subject of only one nationally publicised criticism by Mr. Reagan. But the issue takes its place in the wider debate on foreign affairs, on the arms race, and on détente. Dr. Kissinger's declaration of "unrelenting opposition" towards the white Rhodesian Government is seen by the Right as general support for dangerous radicalism, itself akin to Communism. Against the vote of black Americans, who broadly support African nationalism, any American politician these days must contend with the innate conservatism of many voters who, while not understanding play a different one... If there is no action, or the wrong action now, he said, it would have been better had the Secretary not made the Lusaka speech at all.

## MEN AND MATTERS

## Nader raids our secrets

"I'd like to focus if I may on the problem of official secrets in this country." That was the somewhat bombastic opening yesterday to a Press conference in London featuring that archetypal consumer champion Ralph Nader. He can of course be relied on to direct heavy fire at chosen targets, but quite what or who was going to catch it had been uncertain before his arrival.

In fact, the occasion gave Nader (only just beginning to collect a few early forties grey hairs despite the tension and vigour of his campaigning) a chance to slither together a couple of his recent preoccupations: industrial safety, particularly with regard to nuclear energy, and the duty of Government not to harbour unnecessary secrets.

Nader is in Britain primarily to address a world safety conference in Birmingham to-day at which he will declare that our Government has a duty to "document and disclose" the instances of death, potential death and injury caused by industrial processes, chemicals, deadly plutonium and so forth. The problem seen by Nader is that the all-embracing section 2 of our Official Secrets Act (Section 1 relates to actual espionage) allows the Government to keep so much important data inaccessible.

In pursuit of greater democracy, he urged that Britain have a go at copying America's Freedom of Information Act, the very antithesis of the Official Secrets legislation which Labour promised in 1974 to deal with but which remains intact. Freedom of Information enables Americans to request details of any particular subject from the Government machine, which then faces a deadline on reply.

ing or pleading justifiable continued secrecy. On the theme of plutonium, a problem which Nader said, "you're going to have in spades in this country," a request under the information act resulted in Nader's Washington-based organisation finding that 720 U.S. workers had been exposed to plutonium poisoning. A curious side to the information act is that other nationals find it easier to uncover "secrets" about their own country through access to American government agencies.

It is now ten years since Nader became famous as the scourge of General Motors and author of *Unsafe at Any Speed*. He has remained an intense and puritanical lambaster of all manner of institutions, and his countrymen continue to wonder at his \$80-a-month room unadorned by TV or telephone. Yesterday he claimed no interest in a political career but did predict a Jimmy Carter win which Nader reckoned would be good news for those who believe in "citizen action."

## Crude oil tactics

The latest import scare concerns not Japanese cars, not Hong Kong textiles, but exhibitions. Or, to be more specific, a move by the Society of Petroleum Engineers of Dallas, Texas, to get a foothold in the expanding exhibition and conference business relating to offshore oil activities in the U.K. and the rest of Europe.

Such is the concern in the U.K. that yesterday a radio-link conference was held between the Offshore Supplies Office in Glasgow and the Department of Energy in London. Also involved were other interested parties including the Institute of Petroleum and the Society of Underwater Technology. When tasked the Offshore Sup-

narrow avenue and sending long paper streamers cascading to the street has been conferred on such national heroes as Charles Lindbergh, General MacArthur, and astronaut John Glenn. Winston Churchill is the only Englishman since the war to receive such honours, in 1946. The last ticker tape parade New York saw was in 1969 when the New York Mets captured the Baseball pennant. And until the City's fiscal woes have ended there may be no more officially approved.

One problem is that few of the modern buildings have openable windows, making it difficult to carry out the usual festivities. But the real trouble is getting rid of the waste paper. It costs the City of New York \$3.75 to dispose of one ton of garbage, and \$35 to sweep one mile of street with a mechanical broom. In the city's more affluent days these tons of refuse have been cleared away within three hours—at Lindbergh's parade in 1927 1,750 tons were removed. In 1951 on MacArthur's return from Korea, the sanitation department handled 3,249 tons, and astronaut Glenn attracted a record 3,474 tons.

It was during Mayor John Lindsay's administration that the unofficial word was passed to curtail the excessive throwing of paper but in democratic America no one can officially ban a citizen from expressing his or her approval or exuberance. So perhaps Her Majesty will get at least an unofficial ticker tape parade.

## Girls to abuse?

A company called Coubro and Scrutton deals, according to an article in the magazine *Offshore Oil*, in "lifting gear, chain blocks, winches," as well as offering an "industrial and marine consultancy service."

Observer

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Excess capacities in international shipyards support the case for closures. John Wyles reports

# Shipyards: the Swedish way

N BRITAIN the debate has already started but in Scandinavia, and increasingly in Japan, governments are encouraging management and unions in their shipbuilding industries to accept that world overcapacity must inevitably lead to the closure of yards and the loss of jobs. Most countries are still casting around for an acceptable strategy but Sweden has been spurred on by a crisis enveloping its yards to adopt an approach, which has been variously praised as a model for other countries and attacked as irresponsible adventurism which could help delay any recovery in world shipbuilding.

Much of the criticism has centred on the decision to base Swedish shipbuilding strategy on the next three years partly on building ships for which firm orders have not been secured, a procedure commonly referred to as building for stock. This phrase often provokes paroxysms of rage and arm in certain quarters, particularly among shipowners and bankers who are fearful of a flood of unwanted ships pouring out of the yards and preventing recovery in freight rates. Concentration on this aspect has rendered a sober consideration of the Swedish plan. The scheme expected to be endorsed by a Rikstag (Parliament) in a few weeks. In the meantime, a controversy is tending to obscure the fact that Sweden, under two to Japan in the world shipbuilding league, is committed as an integral part of its plan to reducing its shipbuilding output by 60 per cent. of its capacity by 30 per cent. at the end of 1978. Around 100 jobs in shipbuilding and dependent industries will be lost.

## Outdated

On paper this is an argument for the closure of a good slice of several shipbuilding industries including Britain's. Harland and Wolff's continued existence would be difficult to justify since it is a fairly recent addition to the list of specialist oil tanker builders and is very far from being one of the most efficient. Other candidates for closure in Britain on the grounds of outdated facilities and poor productivity might be parts of Swan Hunter and sections of Clydeside shipbuilding.

However, the British Government has so far avoided publicly expressing a view on what it thinks the future size of the shipbuilding industry ought to be. It is the chances of maintaining all of existing capacity appear to be remote.

Because the world demand for new ships is so low, and is unlikely to recover significantly before 1980, the basic problem facing any country wanting to contract its industry in an orderly way is the fact that most of its yards will tend to run out of work at roughly the same time, between the middle and the end of 1978. That is the case in Sweden where yards are heavily committed to building oil tankers, and order books were grossly swollen by the inflated world demand for tankers in 1972-74.

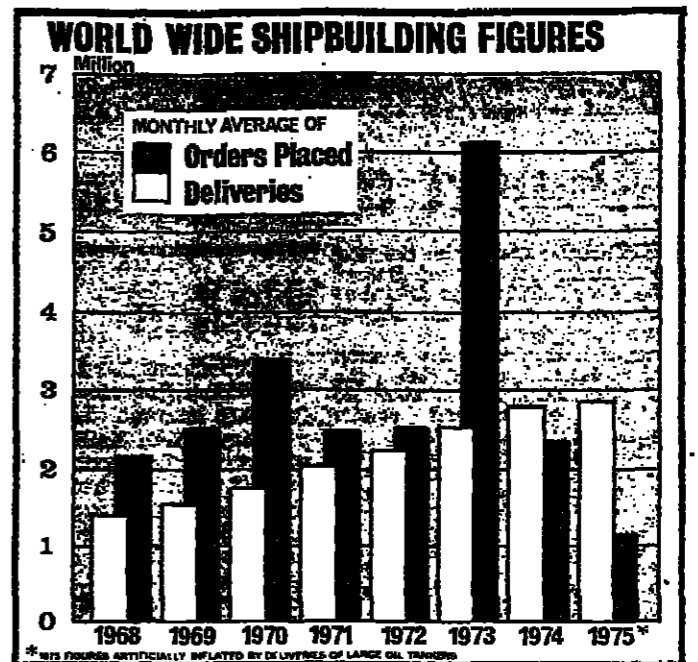
Against this background, and with little prospect of significant tanker orders before 1980, the Swedes have decided on the size of industry which they think can survive into the 1980s and see a limited building for stock scheme as an interim help while they bring about a contraction in output and manpower. But the scheme is by no means the crude device which the mere building for stock often implies. Rather than underwriting an unspecified number of new buildings to tide the industry over to better times, the Government is instead extending existing guarantee schemes to enable yards to build their own ships. Having decided to build a ship to fill a hole in its programme and in order to smooth its 30 per cent. cutback, a yard may borrow up to 70 per cent. of a ship's price against a state guarantee. This guarantee from a special fund of Skr.3.6bn. (£450m.) should, it is hoped, be enough to encourage banks to make the necessary loans. But the shipyard will still have to find the 30 per cent. of ship price which the state is not guaranteeing.

The present intention is to abandon this scheme at the end of 1978 although the Government is likely to retain the option of continuing it for a further year. If it is extended, the Swedes say, the cutback in capacity may be increased by a further 10 per cent. but that will very much depend on how the scheme will work in practice and whether the new building market appears to be recovering. The Government's ability to monitor the scheme will be greatly helped by the fact that from the middle of this year the Swedish State will own or have control of three of the country's four main shipbuilding groups, AB Gotaverken, Eriksberg, and Uddevallavarvet, leaving only Kockums of Malmo in private hands. The extent of government ownership is a testimony to the accumulated weaknesses of Swedish shipbuilding over the past five years rather than to any nationalisation commitment on the part of the ruling Social Democrats. Weak management and barely commercial contracts brought Eriksberg to the brink of closure last year forcing a Government intervention to save 4,500 jobs.

invest, the leading Swedish shipbuilding group, for the price of Skr130m. (£17m.). Some Skr650m. (£81m.) is to be allotted to cover losses on Eriksberg's order book. Gotaverken, whose accumulated losses between 1970 and 1974 amount to Skr940m. (£125m.) is expected to make a profit this year and on the remainder of its 34-vessel order book.

## Stockbuilding

With this degree of state involvement and responsibility for shipbuilding the guarantees for stockbuilding could be seen as possibly the first instalment on an open ended Government commitment. But Mr. Hans Laurin, president of Gotaverken, chairman of the Swedish Shipbuilders Association and one of the architects of the guarantee scheme, rejects any suggestion that the Government is offering a bottomless purse. Stressing first of all that the guarantee scheme is directly linked to a reduction of output industry-wide from around 5m. d.w.t. a year to some 2m. d.w.t. Laurin claims that the overall strategy is based on a conviction that Swedish shipbuilding will be winning new orders from 1978 onwards. "If these do not materialise then we are prepared to scale down even further. We may even have to abandon the whole industry. But you cannot do that overnight," Mr. Laurin says. He and his colleague at Malmo, Mr. Nils-Hugo Hallenberg, managing director of Kockums, both believe that current forecasts that the tanker surplus will last well into the 1980s are excessively pessimistic. Mr. Hallenberg claims that tanker owners could return to generally profit-



able trading by late 1978, and shipowners group, for the price of Skr130m. (£17m.). Some Skr650m. (£81m.) is to be allotted to cover losses on Eriksberg's order book. Gotaverken, whose accumulated losses between 1970 and 1974 amount to Skr940m. (£125m.) is expected to make a profit this year and on the remainder of its 34-vessel order book.

other hand, made very little effort to expand capacity apart from Harland and Wolff to capitalise on the tanker boom, with the result that British yards could be in a better position to compete on price over the next three years for the available orders for dry cargo ships and bulk carriers.

At best, the flow of orders would be sufficient to allow the British Government to encourage a phased reduction of British shipbuilding capacity, with production being concentrated on the most modern and efficient yards, and parts of Swan Hunter, Govan, and Scott Lithgow possibly facing closure. But if not enough business is won to avert closure of certain yards which are worth keeping, then the Government could not rule out a stockbuilding policy. That makes the Swedish scheme worth watching, because if only 80,000 tons of steel a year with a workforce of around 10,000. But Swedish yards, expanded and modified for oil tanker construction, are not well suited to the economic construction of other ship types, apart from bulk carriers, which shipyard building schedule in which the word "taxpayer" stands prominently in the column headed "owner."

## Letters to the Editor

### Mandarins and Ministers

Mr. Chairman,  
since Bryson and Co.  
Sir—The letter from Christopher Tugendhat (May 13) on the erosion of the accountability of civil servants for the policies they recommend to their ministers deserves very serious attention.

I would like to go further and ask whether the heads of the civil service departments are really at all suitable for their posts in view of the erosion of their training and background.

Last August your columnist Tony Harris wrote an article in the "No Expertise Required" in this article reviewed some comments of a senior civil servant who had subsequently spent time in industry. The conclusion reached was quite clear: the heads of the civil service departments within the civil service were not in touch with the world of commerce and industry and indeed could not be expected to be as they were being asked to make decisions on the basis of the academic advice of the civil service. This was a view which I believe is shared by many in the world of commerce and industry.

On its own, this view is not extreme, but more recently Sir Alan All, an ex-Whitehall man, wrote: "Almost without exception, none of the civil service has been in the front line of doing and selling things. I totally underestimate the ability of these activities, so when it comes to a conflict between commercial and political considerations, the commercial ones always go to the wall in the end."

Solution to this problem is to create a vital factor in the evolution of medium- and long-term economic strategies for the survival of a mixed economy. If we do not find the answers our country is to become a very different and probably much less attractive place in a relatively short time.

Yours,  
Victoria Street,  
London.  
Ireland.

### Inflation counting

The Chairman,  
The Food.  
I would like to put a point of view about inflation, as I feel the investigations and verifications made so far on the wrong assumption.

I believe that we are in danger of using a new method of measuring which will take away the accuracy of our existing mechanisms which can lead to a distortion of the whole basis of the economy. The whole basis of the economy is wrong, in that it is on the supposition that it will continue at a level of inflation which is not realistic. For years we have lived with a level of inflation which has been the economic growth of the country, and which has been the basis of the economy. But now we are in danger of using a new method of measuring which will take away the accuracy of our existing mechanisms which can lead to a distortion of the whole basis of the economy.

### Productivity deals

From The Director, Centre for Innovation and Productivity, Sheffield City Polytechnic.  
Sir—John Elliott's article (May 14) points out the need for a new type of productivity reward, perhaps linked to the growing fashion for participation, but doesn't say much about the rewards for participation. It requires the allocation of management time and also a management decision to allocate and budget for supervisor and operator time. The results are worth the cost.

Anne C. Shaw,  
Brook Lane,  
Alderley Edge, Cheshire.

### No magic formula

From The Chairman,  
The Anne Shaw Organisation.  
Sir—Your article on a new type of productivity bargain (May 14) gives a typical picture of what most people consider was wrong with all productivity awards in the 1960s. I could quote many which were highly successful but it will be difficult to change general opinion about them, and in any case these are now historical and therefore not worth arguing about in 1978-79.

What is desperately important in 1977-78 is that our manufacturing industry must be greatly improved: long-term capital investments in equipment, buildings, etc. are very necessary but will not show results for four or five years. There is an urgent need at this moment for improved productivity and for the most economic use of scarce and expensive resources. But to achieve anything substantial, management and workers must be committed to working together more effectively. Commitment in turn requires that each group should understand the others' problems, and that all should participate in agreeing and implementing improvements.

### Nowhere in the middle

From Mr. R. Oakeshott  
Sir—Both in its analysis and its prescription David Watt's article about the Liberals (May 14) seemed to me excellent—with just two qualifications.

The first is about the party leadership. Watt argued that if he was 15 years younger Mr. Grimond might be the man to supply the new dynamism, make the new appeal; but that as he is not, either Mr. P. J. V. Keenan or Mr. Steel should do the job.

I should have thought that if the aim is to maximise the impact of any new appeal among the voters, and particularly the younger voters, then a two-stage rocket approach is the right one: the appeal is put in orbit by Mr. Grimond, who is persuaded to stay on to lead the party in the next election. Then, with the rocket well and truly in a high trajectory, the new engine takes over—Mr. Steel or Mr. P. J. V. Keenan—and the rocket's accelerating propulsion through its orbit is maintained.

their group, and each group is asked to make suggestions which are discussed at a special conference. This would normally lead to small-scale improvements: details of any such scheme would have to be worked out for each individual case to fit particular circumstances. There is no tailor-made solution. Formulae for working together demands commitment as much from managers and supervisors as from workpeople. It requires the allocation of management time and also a management decision to allocate and budget for supervisor and operator time. The results are worth the cost.

Our analysis of the Census data shows between 1963 and 1973, over the whole of manufacturing industry, wages and salaries per head rose at about the same rate as the increase in net output per head. In other words, pay kept pace with productivity. There were some notable exceptions in motor vehicle manufacturing, iron and steel and coal mining where pay rose faster than output per head. (The miners had a good case on productivity.)

Using the Census data as a starting point it would be possible to develop industry-wide agreements about linking the total wage and salary bill to the total output. Better still, companies could provide their own data on a confidential basis to employees and Government to justify increases (or prevent increases) in the total wage and salary bill linked to the wealth created. If participation is to mean anything at all, this is the right way to make it succeed. And where pay has outstripped productivity to the point that the reward to the providers of capital is inadequate or non-existent, employees must be persuaded to face up to the idea that the total wage bill must come down. This means that either some of them must move to well-paid jobs elsewhere or they must accept a reduction in their standard of living to match their output.

### Motivation reduced

From Mr. P. Kirtman.  
Sir—At this moment in time I find my motivation reduced. Not only do I face the anti-work syndrome identifiable in a majority of the work force on the initial day of the work week but I discover in your job column (May 17) that my problem relates, not to my job, but to my "working situation."

Of course it will not be easy to get these uncomfortable truths accepted. E. G. Wood, Halfords House, 16 Fitzalan Square, Sheffield.

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## GENERAL

Prime Minister addresses Inland Revenue Staff Federation conference, and also Amalgamated Union of Engineering Workers national committee, Scarborough.

Labour Party national executive committee discusses home policy committee document.

CBI annual meeting and monthly Council meeting.

Mrs. Margaret Thatcher, Party leader, addresses Conservative Women's conference, Central Hall, Westminster.

House of Commons Select Committee on Science and Technology (Energy Resources sub-committee) discusses alternative sources of energy—tidal power. With-

## GENERAL

nesses—Professor I. Wilson, Salford University, and EPD Consultants, 10.30. Nationalised Industries (sub-committee E), Sub-Committee on the Steel Corporation, 10.45. Expenditure (Social Services and Employment sub-committee), 11.00. Subject—Preventive Medicine. Witnesses—Department of Health and Social Security.

House of Lords Select Committee on Commodities Prices hears evidence from Liverpool Cotton W.I. Association, and Rubber Trade Association of London, jointly with London Rubber Terminal Market Association, 10.30.

Industrial Society two-day conference, "The Great Debate—Industrial Democracy," ends, Mount Royal Hotel, W.I. Speakers include Mr. James Prior, Opposition spokesman on employment, Mr. Robert Maxwell, chairman, Pergamon Press, and Mr. Cyril Smith, Liberal MP for Redcliffe.

Mr. Fred Patel, Minister of Agriculture, speaks at Food Manufacturing Industries Research Association lunch, Cafe Royal, W.I.

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OFFICIAL STATISTICS  
Basic rates of wages and normal weekly hours (April). Monthly index of average earnings (March).

COMPANY RESULTS  
Plantation Holdings (full year). Ransome Hooper Pollard (half-year). Readicut International (full year). Unilever (first quarter).

COMPANY MEETINGS: See page 15.

## To-day's Events

nesses—Professor I. Wilson, Salford University, and EPD Consultants, 10.30. Nationalised Industries (sub-committee E), Sub-Committee on the Steel Corporation, 10.45. Expenditure (Social Services and Employment sub-committee), 11.00. Subject—Preventive Medicine. Witnesses—Department of Health and Social Security.

House of Lords Select Committee on Commodities Prices hears evidence from Liverpool Cotton W.I. Association, and Rubber Trade Association of London, jointly with London Rubber Terminal Market Association, 10.30.

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# COMPANY NEWS + COMMENT

## Duport down £6m.—better second half

EXTERNAL turnover for the year to January 31, 1976 of Duport rose from £137.04m. to £143.58m., but pre-tax profits fell sharply from £10m. to £4.04m.

At mid-way, reporting a drop from £5.54m. to £4.84m., the directors said the group would do well in second half results equalled those of the first.

Basic earnings for the full year are shown to be down from 15.1p to 5.49p per 25p share or from 11.97p to 4.61p fully diluted.

After mid-way expectations of a maintained final dividend, the proposed payment is in fact 2.17412p, against 1.88388p, for a 3.6579p (3.6579p) total.

	1975-76	1974-75
Turnover	143.58	137.04
Operating profit	4.04	10.00
Finance income	0.25	0.25
Less interest	1.12	1.12
General	3.17	9.13
Less interest	1.12	1.12
Trading profit	4.89	10.71
Street	1.27	6.49
Engineering	1.24	1.24
Domestic	0.97	0.97
General	0.88	0.88
Interest	1.12	1.12
From associates	0.25	0.25
Profit before tax	4.89	10.80
Tax	1.12	1.12
Net profit	3.77	9.68
Extra-ord. debts	0.08	0.08
Dividends	1.24	1.09
Retained	1.09	1.09

The directors say that despite the steep fall in profits and inflationary pressures the balance-sheet is strong with substantial bank facilities still available to finance the development of the group and the increased demand for working capital which will certainly arise as the economic climate improves.

Bank balances rose from £95,000 to £234m. at the year-end and overdrafts fell from £2.01m. to £38,000.

As a result of the recession in demand some development plans have had to be deferred, but substantial progress has been made, members are told.

While there is an encouraging improvement in demand for the products of steel and engineering divisions there is little indication of an early return to the buoyant conditions of 1974-75, the directors report. Moreover difficult trading conditions are expected to continue for the domestic products division.

The group is now operating more effectively at these lower levels of activity and internal forecasts together with the results so far reported by subsidiaries, lead them to expect

### HIGHLIGHTS

Debenhams has exceeded its profits forecast made at the time of last November's rights issue and says sales so far this year are buoyant. Lex also comments on the partial profits recovery of Wm. Morrison and Denny Mott which made £5.2m. pre-tax in 1975, against £3.7m. the previous year and £8.4m. in 1973. There is a note, too, on the substantial dividend increase forecast by Artogen Properties in its defence document against the bid by Sun Life, and on the lower second-half profits of Furness Withy. Elsewhere, there is a comment on how the Hong Kong associate of Time Products more than doubled its contribution to push up total profits by 13 per cent. The slight profits decline by Cater Ryder and Co. is explained and the results of Duport, Foster Brothers Clothing, and Wm. Morrison are analysed.

a further comparable improvement in profits for the half-year to July 31, 1976.

### comment

Duport seems to have turned the corner since the big interim profits fall and the signs so far are that the current half will maintain the rate of revival achieved in last year's final six months. Profits in that period were down just 45 per cent. against the comparable 1974-75 second half and were—significantly—73 per cent. higher than in the previous six months. This was rather better than the group itself projected and left the full-year pre-tax profit 60 per cent. down, with margins recovering by 14 points in the second half to 3.3 per cent. A recovery from losses by the South Wales steel works was the chief feature of the last six months (achieved, however, by economy measures rather than trading) although the steel division as a whole halved its contribution to total profits. In contrast, profits from the engineering side were almost maintained, helped by good U.S. demand for tractor components and a rise in exports to the EEC. But total exports were down by £11m. In spite of capital expenditure of about £6m., a short-term net cash balance of £21m. has been achieved. The shares at 69p yield 8.4 per cent. covered nearly 1.3 times, and the p/e on diluted earnings per share is 14.5.

## Cater Ryder turns in £1.06m.

AFTER PROVIDING for rebate and transfer to contingencies, net profit of Cater Ryder and Co., bill brokers and bankers, declined from £1.2m. to £1.06m. for the year to April 30, 1976.

Dividends per 21 share are up from 14.4 to 15.73p net, with a final of 11.18p, the maximum allowed.

### comment

Like most discount houses, Cater Ryder apparently benefited from the upsurge in gifts in January and the first half of February as short term interest rates tumbled. So disclosed profits are marginally better than expected, showing only a 41 per cent. decline against an exceptionally good 1974-75 year. The performance might have been better, but for the 14 point jump in MLR just before Cater's year-end. Overall, the past year was a good one for Cater which, in common with other houses,

should have had reasonable margins on a big turnover; shorter books would have buffered Cater from the 2 point rise in MLR between May and October. The length of books is believed to be around 60 days currently, while the size should have been reduced by a third. This, coupled with the financial strength built up in the two good years, should minimise the impact of any further interest rate increases in the current year. The shares rose 3p to 265p where the yield is 9.5 per cent.

## Foster Bros. expands to £4.1m.

THE IMPROVED profit forecast by the directors of Foster Brothers Clothing Company last October, emerged at a record £4.1m. for the year ended February 28, 1976—an increase of £389,581, on 1974-75. Earnings per 25p share are stated to be up from 6.3p to 8p.

Sales increased by some 22 per cent., while trading profit improved by more than 30 per cent., reflecting the stringent economies exercised on overheads. The major profit contribution continues to be made by Foster Bros. Ltd., which has improved its position in the retail clothing market. The group's expansion is continuing although on a more restricted scale than in previous years having opened during the year and a further nine shops are already planned for 1976. The group's liquid position has improved by £2.5m. in the first two months of the current year, show an increase over the comparable 1975 period although the advance is not as substantial as last year. Nevertheless, the group's position is sound and the retail climate the group should be able to show an increase in profits in 1976-77.

As known, the dividend total is raised by the permitted maximum—from 2.1975p per share to 2.32p net.

1975-76 1974-75  
Sales 41.5 37.0 34.3 32.7  
Trading profit 4.1 3.8 3.1 2.8  
Finance income 0.2 0.2 0.2 0.2  
Less interest 1.1 1.1 1.1 1.1  
General 3.2 3.2 3.2 3.2  
Less interest 1.1 1.1 1.1 1.1  
Trading profit 4.8 4.8 4.8 4.8  
Street 1.2 1.2 1.2 1.2  
Engineering 1.2 1.2 1.2 1.2  
Domestic 0.9 0.9 0.9 0.9  
General 0.8 0.8 0.8 0.8  
Interest 1.1 1.1 1.1 1.1  
From associates 0.2 0.2 0.2 0.2  
Profit before tax 4.8 4.8 4.8 4.8  
Tax 1.1 1.1 1.1 1.1  
Net profit 3.7 3.7 3.7 3.7  
Extra-ord. debts 0.0 0.0 0.0 0.0  
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Tax 1.1 1.1 1.1 1.1  
Net profit 3.7 3.7 3.7 3.7  
Extra-ord. debts 0.0 0.0 0.0 0.0  
Dividends 1.2 1.2 1.2 1.2  
Retained 1.0 1.0 1.0 1.0

1975-76 1974-75  
Sales 41.5 37.0 34.3 32.7  
Trading profit 4.1 3.8 3.1 2.8  
Finance income 0.2 0.2 0.2 0.2  
Less interest 1.1 1.1 1.1 1.1  
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## Crest Intl. gets creditors consent for reconstruction

THE BOARD of Crest International, subject to the approval of shareholders, has now obtained the consent of its principal creditors to a scheme of reconstruction.

If implemented, the scheme provides some prospects for recovery to the unsecured creditors and shareholders of the group in its reconstructed form, says the chairman of Crest, Mr. Lionel Casper.

The accounts of Crest International for the 18 months ended March 31, 1975, published in February, showed an attributable loss of £1.4m. and a shareholding deficiency of £230,000. The loss was struck after providing £705,245 for the fall in value of investments, about £423,000 of which related to Ashbourne Investments—Crest's one of the original members of the consortium which made an abortive bid for Ashbourne in 1973.

The terms of the scheme are as follows: trade creditors totalling £5,478 for amounts not exceeding £1,000 will be paid in full, as will amounts due to the Inland Revenue and the Department of Social Security totalling £12,946. In addition, Guarantee London Trust, which has lent a subsidiary of Crest £21,250 on overdraft, will require no capital repayments for two years and will charge interest of 10 per cent, which is to be rolled up.

Mr. Bernard Glazer, a holder of £213,322 Unsecured Loan (and until the recent agreed bid by Crest for the company, a major direct shareholder in Ashbourne), Mr. Gerald Lubner, Amphion Investments and "a professional firm" will cancel the amounts due to them by Crest. In return, they will receive 10 New Preferred Ordinary shares in Crest.

As for the holders of the £213,188 10 per cent Unsecured Loan, 10 per cent (£21,319) will be accepted cancellation of its £21,318 holding in return for the cancellation of an intercompany debt. Holders of the balance of the loan, £191,869, will accept the same terms as the unsecured creditors.

## Dutton Forshaw

SUBJECT to any Government restrictive measures the overall picture for The Dutton-Forshaw Group is most encouraging, says the chairman, Mr. R. P. Hockin. Management accounts for the first quarter of 1976 show "very much higher profits" than the corresponding 1975 period, and the chairman looks forward with every confidence to the future.

Sales of used cars continue to

increase and the profitable expansion of the service and parts departments continues. Also the agricultural machinery companies sales are buoyant. Plans, already announced, offer "exciting prospects" of expansion and profitability over the next few years and will help to even out the more cyclical nature of the motor trade, says Mr. Hockin.

As known group pre-tax profit for 1975 was £1,36m. (£1,02m.) and the dividend 1.75p (1.7375p) net.

Despite the purchase of loan stock overvalued at £2.5m. and net current assets increased by nearly £0.75m. to £3.25m. The balance sheet has been strengthened by a reduction of some £1.5m. in borrowings, and a further cut is anticipated this year.

The investment disposals have enabled the group to "virtually eliminate" the group's short term bank borrowings, and following implementation of the scheme the group should have sufficient working capital. If the scheme is rejected by shareholders and loan stockholders, the directors consider that Crest should "immediately be placed in liquidation."

During the first weeks of the new trading year, the volume of business at department stores below 1975 levels, even though sales by value remains ahead and this must have an effect on first half results, the chairman, Mr. J. A. Norbury, says.

But comparison with the earlier exceptionally high spending months of last year could be a misleading pointer to the full year results, says the chairman. From May onwards, the comparison will be much less extreme and the group can expect the present high level of percentage cost increases to abate.

All efforts are directed towards maintaining the group's progress and as the new stores gather momentum, they should begin to realise their profit potential.

As reported on April 9, pre-tax profits for the year ended January 31, 1976 rose from £2.18m. to £2.53m. and the dividend is a maximum permitted 2.175p (2.2375p).

While the established stores made an overall 21 per cent increase in profits, the greatest gain in trading performance came from the three west country stores in Bath, Weston-super-Mare and Taunton.

All central merchandise divisions made good progress with the household and consumer durable sections being particularly impressive.

The stores in the north west region still contribute more than half the profits earned in the U.K. and the directors have continually been looking for opportunities to diversify the business into other parts of the country.

There has been a healthy improvement in liquidity, says the chairman.

Statement Page 14

Secombe Marshall

After tax and transfer to reserve for contingencies, profit of bill brokers and bankers, Secombe Marshall and Campion declined from £433,037 to £339,433 in the year to April 30, 1976.

Final dividend of 1.75p, against 1.721p net making 13.821p, against 12.702p equivalent, the maximum allowed. Payments absorb £152,031 (£139,706).

Earnings in the first half were smaller than the previous comparable period.

1975-76 1974-75

Net profit 349,433 433,037

Dividends 139,706 152,031

Forward

After tax and transfer to reserves for contingencies.

## BIDS AND DEALS

## Sun Life offer 50p below value says Artagen

IN AN increasingly acrimonious bid battle, Artagen Properties is suggesting that its shares are worth at least 123p against the offer from Sun Life Assurance Society of 76p.

A valuation of Artagen's portfolio has thrown up a 16 per cent increase since the end of last year. The company, freed from dividend restraint by the bid, is also proposing a 70 per cent increase in its dividend.

Referring to some of Sun Life's arguments as "wrongly based and irrelevant," Artagen claims that the insurance company's only aim in making the bid is to free itself from an agreement, made early in 1975, to provide £2.5m. of cheap long-term finance to the property company.

"It is no doubt very important to Sun Life to cancel this obligation," writes Mr. David Webb, chairman of Artagen, in a letter to shareholders. "It is crucial to us that it should remain. Were Sun Life to acquire our shares on the basis proposed, they would be repaying directly at your expense."

Sun Life has claimed that the Artagen agreement with some of the £18m. of cheap finance down. The property company denies this, saying that if Sun Life had intended the funds' use to be restricted, the original agreement would have specified this.

In preparing its defence, Artagen has placed a value on its agreement with Sun Life, claiming that the 25-year debentures at 7 per cent, over the term from 71 per cent to 98 per cent, would be worth a total of £19m. over market rates should the full £40m. be advanced.

This accounts for 34p of the claimed 123p net asset value per share. The other increase of 12p is accounted for by an increase in property values since last December.

James Lang Wootton, the chartered surveyors responsible for the new total for Artagen's portfolio of £74.8m. takes into account a "significant improvement" in the property investment market, particularly in the U.K. It singles out reduced investment values on reversionary properties where rent reviews fall within a five to seven-year period.

James Lang Wootton is thought to have seen a 9 to 10 per cent improvement in U.K. values within the four-month period, with the rest of Artagen's increased value coming from acquisitions and completions.

The letter to shareholders breaks new ground in being the first under the new Take-over Code, includes the independent surveyor's assessment of future rental increases. Artagen's present income of £2.5m. is expected to rise to nearly £3.5m. by 1981 on existing investments.

Sun Life, which acquired 25 per cent of Artagen's shares at the time of the funding agreement and has since increased its stake to 50 per cent, is expected to answer Artagen's defence company shortly.

See Lex

DERBY OFFERS FOR REST OF C. WADE

Terms have been agreed whereby Derby and Co. is to make offers to acquire the capital of Charles Wade and Co. not already owned.

The price is 10p for every Ordinary and for every "B" Cumulative Preference share. Derby already owns 635,000 Ordinary (46.2 per cent) and 3,760,995 "B" (75.9 per cent); this in aggregate represents a holding of 80.1 per cent of the combined equity capital.

The offers are subject to the normal conditions contained in the City Code on Take-overs and Mergers.

The directors (other than those representing Derby who have not participated in the company's behalf in the consideration of the offer) have been advised by Gresham Trust and will recommend all holders to accept.

Wade's preliminary results show that net taxed profits fell from £309,308 to £271,191 in 1975.

J. WOODHEAD

James Woodhead and Sons has bought Shaft Hydraulics of Glasgow. Consideration was £48,000 cash and 21,052 Ordinary shares. The company will also issue its 1975 dividend of 7.5p (8.5p net more than £20,000 depending on Shaft's pre-tax profit for the year to March 31, 1977.

RESULTS AND ACCOUNTS IN BRIEF

ABERDEEN INVESTMENTS—Final 1975 results: 1975-76 1974-75

Gross revenue 12,199 11,449

Interest receivable 1,199 1,149

Shaft's net tangible assets at bid date, Artagen Properties is February 28, 1976 were about £36,500 and pre-tax profit year to that date £35,900.

ICH bid for Thermal 'inadequate'

International Combustion (Holdings) is bidding 65p per share for the capital of Thermal Syndicate following the termination of discussions between both companies which agreement could not be reached on a price.

Last night the Board of Thermal said that the offer by ICH was "totally inadequate" and it will be writing to holders after the formal offer document from ICH has been posted.

The offer values Thermal at £44m. compared with the present capitalisation of £23.6m. based on a share price of 65p.

ICH is 45 per cent owned by U.S. Combustion Holdings and its interests in the U.K. amounts to about £14m. cash plus a holding in a plant hire company.

The company is also offering 25p cash for each 5 per cent Preference share conditional upon the offer for the Ordinary shares becoming unconditional. It presently owns 125,000 Ordinary (23.3 per cent) of Thermal.

ICH shares closed unchanged yesterday at 81p.

STADIUM OFFER INCREASED

Brighton and Hove Albion Football Club has increased its offer for a block of shares in the Brighton and Hove Greyhound Stadium currently held by GRA Properties Trust.

The club, which made an offer of 45p per share for the near 40 per cent stake on Friday has now increased its bid to 47p to top a 46p offer from Ladbroke.

HANDLEY WALKER U.S. EXPANSION

To broaden operations on the American continent, the British based management consultancy Handley-Walker Group has acquired a controlling interest in its parent Handley Walker Co. of New York.

The U.S. subsidiary will be managed by a joint British/American team and both British and American consultants will work together on North American projects.

ENERGY FINANCE —SELUKWE

Energy Finance and General Trust announced that its offer for Ordinary shares in the Selukwe Gold Mining and Finance Company has been accepted in respect of 502,415 shares. The offer is now closed. Prior to the offer, Selukwe and its clients held 730,693 shares.

CRANE FRUEHAUF

Crane Fraeuhuf is acquiring the business carried on by Pengco Transport Systems, a manufacturer of heavy-duty body systems for approx. £50,000. In addition certain assets are to be acquired at agreed valuation.

NO PROBE

The proposed merger between British American Tobacco and Tobacco Securities Trust is not to be referred to the Monopolies and Mergers Commission.

BULGIN—BROXLEY

A. F. Bulgin announces that acceptances received in respect of its offer for Broxley Holdings amounted to 6531 per cent. The offer remains open.

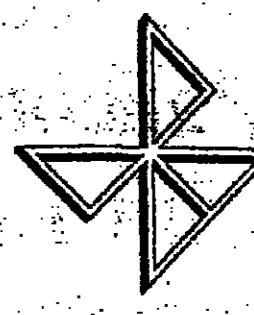
STAR—KYMNI

Star Property announces that the Scheme to effect the acquisition by Kymni of the Kymni-Kymni Scheme of the capital of Star not already owned by Kymni Kymni has been approved subject to Court sanction. The Scheme is expected to become effective on July 2.

SHARE STAKES

Trident Group Printers—Chairman Investment bought a further 4,027 Ordinary, bringing its total holding to 857,945 shares (19.56 per cent).

Marshall's Universal—West of England Trust has bought another 207,475 Ordinary shares making its holding 754,075 (5.45 per cent). Subsidiaries of W. of England hold a further 23.46 per cent.



# Wilmot Breeden

	1975	1974
Sales	\$35.22 million	\$28.56 million
Pre-tax profit	\$2.82 million	\$1.78 million
Earnings per share	5.90p	3.50p
Dividend	2.45p	1.45p

**Strength of overseas earnings**

In both 1974 and 1975 overseas earnings represented 76.4% of group profits before interest. In fact in only one year in the last six have overseas earnings been below 50% of group profits.

**Improved outlook for UK**

In his review last month the chairman reported that, with the very large reductions in operating costs which have been achieved together with an improvement in demand during the first quarter of the current year over our budget forecast, this investment was profitable. Although it was not known how long the new rate of demand would last, the situation was viewed with rather more optimism. Indeed if it kept up even for a few months, it would greatly improve the outlook for 1976. The situation now is that the improvement in demand has been maintained during the month of April.

**Dividends**

In his review last year the chairman said that the board wished to see a return to the normal level of dividends as soon as possible. The evidence showed that the company is now making good progress towards recovery, and accordingly a dividend of 2.45p per share was recommended and approved.

*Copies of the Report and Accounts can be obtained from the Secretary*  
**Wilmot Breeden (Holdings) Limited**  
 PO Box 173, Goodman Street, Birmingham B1 2SX

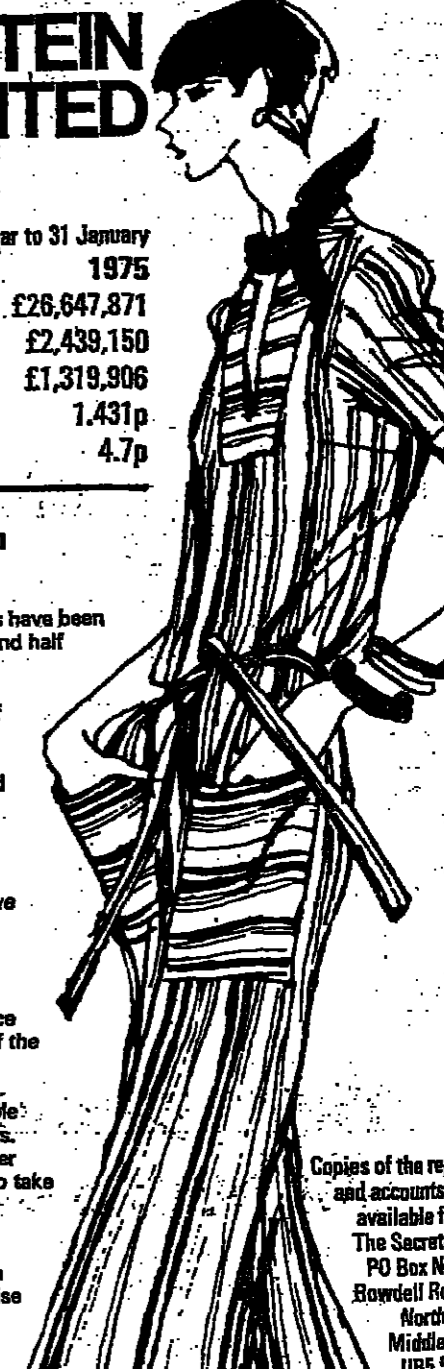
## ELLIS & GOLDSTEIN (HOLDINGS) LIMITED

### 1976 RESULTS

	1976	1975
Turnover	£28,764,959	£26,647,871
Profits before tax	£2,129,532	£2,439,150
Taxation	£1,146,086	£1,319,906
Total ordinary dividends	1.55p	1.431p
Earnings per stock unit	4.3p	4.7p


**Points from the statement by the chairman**  
**Mr David Cannon**

- \* The value of sales has increased and seasonal stocks have been satisfactorily realised. The lower rate of profit in the second half of this year reflects the changing pattern of demand.
- \* The results emphasise the continuing importance of the wide basis of our marketing and show the growing value of sales abroad where retail sales, at £1,401,378 increased by 53% and are up more than 350% compared with two years ago.
- \* During the year £571,604 was spent on the development, replenishment and modernisation of both productive and distributive resources. In recent weeks we have decided to extend our light clothing factory in North Shields.
- \* In the last two years, stock appreciation relief has deferred the payment of £0.8m of tax. The Group balance sheet shows our inherent strength and cash at the end of the year stood at £1.0m.
- \* As to the longer term future, there is still considerable growth to come both from internal resources and exports. However, benefit could flow from the acquisition of other enterprises which complement our own; we are ready to take advantage of this kind of expansion.
- \* Our Autumn 1976 collections have been warmly received but it is too early to attempt any forecasts. I am confident we are offering the right balance of merchandise to secure the necessary volume of business to fully utilise our productive resources.



Copies of the report and accounts available from The Secret PO Box N Rowdell Rd North Middle UBS

# Trident House



## Paisley

an imposing new air-conditioned office building adjacent to Glasgow Airport.

### 55,000sq.ft. To Let

## JONES LANG WOOTTON

Chartered Surveyors

110 West George Street, Glasgow G2 1QA.  
 Tel. 041-332 9231

## FIDELITY RADIO

Preliminary Results for year ending 31st March 1976

	1976	1975
Turnover	£1,776	£1,775
Trading Profit before Taxation	1,315	1,459
Taxation	681	786
Profit after Taxation	634	673
Extraordinary Item	—	663
Profit after Taxation and Extraordinary Item	634	1,336
Dividends	357	322
	277	1,014
Earnings per share before Extraordinary Item	7.49p	8.39p

The reduction in trading has been the direct result of the combination of two factors, namely the imposition of the higher rate of VAT of 25 per cent on our products, and the inability of our suppliers to satisfy our requirements of materials at the height of the season.

The proposed final dividend will be 3.188 pence per share which, together with the interim dividend of 1.053 pence, makes a total of 4.241 pence per share (1975 - 3.956 pence per share), corresponding to a gross of 6.945 pence (1975 - 58.05%). This is the maximum dividend permitted under the Government's policy on dividends.

### FIDELITY RADIO LIMITED

Victoria Road, London NW10 6ND  
 Telephone: 01-965 8771 Telex: 923355

## RESULTS AND ACCOUNTS IN BRIEF

**ABERDEEN INVESTMENTS**—Final 1975 results: 1975-76 1974-75

Gross revenue 12,199 11,449

Interest receivable 1,199 1,149

Net profit 349,433 433,037

Dividends 139,706 152,031

Forward

After tax and transfer to reserves for contingencies.

**AMERICAN ELECTRIC APPLIANCE**—Results for 1975 reported April 15. Fixed assets £24,330 (£23,230). Net current assets £1,200 (£1,100). Chairman says he is confident that prospects are good and present profits should be maintained. Meeting at Great Eastern Hotel, E.C.1, June 2, at noon.

**JAMES FISHER AND SONS** (shipowners, etc.)—Results for 1975 reported March 30. Group fixed assets £4.5m. (£3.5m.). Current assets £3.1m. (£2.5m.). Profit £1.5m. (£1.4m.). Meeting at Grosvenor Hotel, E.C.1, June 2, at noon.

**FOURTH CITY AND COMMERCIAL INVESTMENT TRUST**—For half-year to December 31, 1975, revenue was £1,087 (£1,111), before tax on dividend income £1,087 (£1,111).

**GRATTON WAREHOUSE**—Results for year ended January 31, 1976 reported April 6 and chairman's observations on prospects on May 4. Group fixed assets £25,886 (£25,886). Net current assets £23,16m. (£23,16m.). Meeting at Grosvenor Hotel, E.C.1, June 2, at noon.

**MADEN CARRIER** (designers) contractors for engineering and process services—Results for 1975 with chairman's observations on prospects for current year, reported May 4. Group fixed assets £71.1m. (£71.1m.). Current assets £56.6m. (£56.6m.). Profit £1.5m. (£1.5m.). Meeting at Grosvenor Hotel, E.C.1, June 2, at noon.

**REED AND SMITH (HOLDINGS)** (Paper-makers, advertising agency, etc.)—Results for 1975 reported April 30 with chairman's observations on prospects. Fixed assets £3.3m. (£3.3m.). Net current assets £1.7m. (£1.7m.). Meeting at Grosvenor Hotel, E.C.1, June 2, at noon.

**SEARS ENGINEERING** (subsidiary of Sears Holdings)—Turnover for 1975 £1,125,000 (£1,125,000). Profit £1,125,000 (£1,125,000). Meeting at Grosvenor Hotel, E.C.1, June 2, at noon.

**TRANSATLANTIC AND GENERAL INVESTMENT**—Final dividend 1.50 pence per share for 1975. £1.50 pence per share. Meeting at Grosvenor Hotel, E.C.1, June 2, at noon.



**BONN, May 18.**

STOCKHOLM, May 18.

AMSTERDAM, May 18.

BY PAUL LENDYAI

BY A. H. HERMANN

**FINANCIAL TIMES REPORTER**

## SIGNAL

ROCHESTER, N.Y., May 1

STOCKHOLM, May 1

AMSTERDAM. May 1

## هكذا من الأحمال





## FARMING AND RAW MATERIALS

## Fall in U.S. wheat price forecast

WASHINGTON, May 18. U.S. Agricultural Department (USDA) said wheat prices fell 25 to 50 cents from mid-April farm price average of \$3.50 per bushel because of reports for the nation's second crop.

In a summary of the wheat situation to be issued on May 25, USDA said the 1978 U.S. crop is still expected to be somewhat below last year's 2,100m. bushels, but an anticipated increase in carry-over stocks would more than set the production decline, leaving the total supply only slightly above last year's 2,500m. bushels.

USDA said the 1978 U.S. crop is still expected to be somewhat below last year's 2,100m. bushels, but an anticipated increase in carry-over stocks would more than set the production decline, leaving the total supply only slightly above last year's 2,500m. bushels.

## Dearer animal feeds warning

Our Commodities Staff

ANIMAL FEED prices are 20 cent higher than a year ago and will probably rise further, Desmond Bird, director of the Compound Animal Feedings Manufacturers' National Association noted yesterday.

Prices have risen more, and at a faster rate, than in previous years. This will inevitably result in dearer food for consumers, though with continuing wages there was no assurance, he said, that the industry would be willing or able to contain existing consumption in the face of increased costs.

Mr. Bird, who was speaking at the opening of a new terminal at Felixstowe by International Harvester, said that the industry's final EEC prices for the 1978 crop would be higher than those for the 1977 crop, particularly for cattle rations, by as much as 10 per cent.

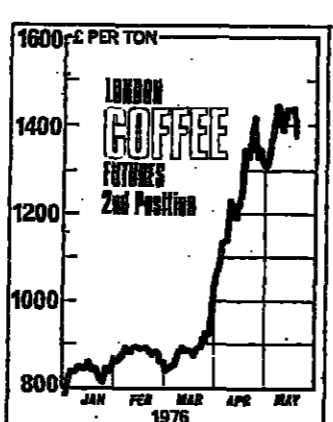
With the increase in the price of higher molasses, the price in feed, Mr. Bird said, is about 4 per cent of the industry's total raw materials.

## Speculative selling hits coffee and cocoa values

BY RICHARD MOONEY

COFFEE AND cocoa values on the London terminal markets fell sharply yesterday in the face of heavy speculative selling. Both markets closed at the lowest levels for nearly two weeks, with July coffee losing \$5.5 on the day at \$13.75 a cask, and July cocoa \$20.75 at \$1,028.75 a tonne.

There was no significant fundamental news affecting coffee and cocoa, but the heavy speculative selling was seen as reflecting the disparity between prices in London and New York which led dealers to buy in London and sell in New York. Some traders said this was the first time in a long time that the reason for New York's prices opening at the permissible limit.



Meanwhile, Colombia's Monetary Board announced that coffee exporters are now required to return \$231 to the Central Bank for every 70-kilo bag shipped abroad, compared with the previous level of \$207. London dealers said the move had already been built into current price levels.

Cocoa prices opened lower in London but found support following the publication of the Dutch gridding figure for April showing a 2,200 tonnes increase to 11,250 tonnes on the figure for April 1977. Later, however,

dealers became uncertain of the significance of the figure as it represents a sharp decline from the 13,400 tonnes processed in March.

The market reached the \$30 per tonne limit down level in mid-afternoon and prices fell further after the mandatory 30 minute break in trading.

Lower price levels were also seen on the London terminal market with the October position ending the day \$5.50 lower at \$192.25 a tonne. Dealers said the lower tone was aided by the relative steadiness of sterling but attributed it mainly to low bids for sugar at Greek and Uruguayan selling tenders.

In the morning the London daily raw sugar price was fixed \$2 lower at \$190 a tonne.

The Mauritius Chamber of Agriculture in its April bulletin has maintained its estimates for 1978 Mauritian sugar production at 700,000 tonnes and for its exportable surplus at 778,388 tonnes, reports Reuter. Mauritian production in 1977 was 468,258 tonnes.

Exports in April were 9,557 tonnes (all to the U.K.) bringing total exports for the first four months of 1978 to 113,134 tonnes. Stocks at end-April fell to 8,769 tonnes from 11,759 at the start of the month.

## Sharp drop in metal markets

By John Edwards

THE STEADIER tone in sterling, and a lower trend in U.S. markets overnight, brought some sharp price declines on the London Metal Exchange yesterday. Buying interest was also reported to be still suffering from "zinc poisoning"—in other words the recent move to restrict speculative business is still tending to discourage outside investment generally in metals.

Copper led the downward trend with cash wirebars closing \$14.25 down at \$286.25 a tonne and losing further ground on the late market. Cash lead dropped by \$1.25 to \$225 a tonne, while cash zinc fell by \$2.75 to \$416.75 a tonne. Cash tin was \$55 lower at \$4,067.5 a tonne despite a rise in the Penang market overnight.

Badly hit too was silver. The London bullion spot quotation was cut by 3.7p to 244.7p at the close, and the market declined further in afternoon trading.

Reuter reported that the Benguela Railway in Angola—previously the main export route for copper from Zambia and Zaire—was unlikely to be open for international traffic before September. It quoted information from sources in London as claiming that repairs to the Luau Bridge on the Angolan-Zaire border were not expected to be complete before the end of August.

## U.K. AGRICULTURE

## Emotions blur facts of potato shortage

BY DAVID RICHARDSON

SO MUCH emotion seems to have been generated over the price of potatoes—when they were going up and when they were coming down—that some of the real facts have become blurred if not totally obscured.

Accusations that farmers have been withholding supplies from the market hardly stand up to scrutiny. Out of a total of nearly 4m. tons harvested in the U.K. last autumn, the Potato Marketing Board estimated that only 33,000 tons were left on farms on May 7, and that most of them were already sold for later delivery.

Neither can the extravagant use of phrases like "profiteering potato growers" be fully justified. Profits have been good as a result of the prices paid, but the price of potatoes is ruled by supply and demand and in spite of unprecedented prices, demand stayed brisk until a couple of weeks ago.

Far from holding out for higher prices, potato growers, myself included, were being telephoned daily by panicked merchants, desperately searching for supplies. The prices they offered were well in excess of what I would have dared ask. On this farm we sold the last of our mediocre crop several months ago and were unable to oblige or join the so-called profiteers.

The recent fall in wholesale prices has very little to do with a housewife's boycott, even though the Potato Marketing Board has been lower than normal during peak prices. The real reason wholesale prices have dropped, as they did several days ahead of last week's well publicised announcement by the Cyprus Potato Marketing Board that it was cutting prices, was because

imported supplies of new potatoes were becoming available at only a little more than U.K. old crop.

This meant that housewives still buying potatoes transferred their attention to the imports. Some of the expensive old crop which they will now find difficult to move. Hence the delay in marking down retail prices until the announcement.

THE EEC Council of Agriculture Ministers yesterday decided on final extension of its decision to allow duty-free imports of new potatoes from May 20 to May 31, it was reported in Brussels.

Since the introduction of the potato marketing board, the import of potatoes has been a constant feature of the potato market. The ad valorem EEC import duties are 15 per cent on new potatoes and 18 per cent on ware.

By the Cyprus forced the issue. With the exception of those few merchants and farmers who have been caught with stocks, most would agree that the Cyprus move to cut retail prices is sensible. As more new potatoes become available from Mediterranean countries prices were bound to drop in any case. By presenting this perfectly normal occurrence to produce a publicity stunt, the trade and the consumer could benefit.

It would promote a brisker trade in Cyprus new potatoes for the next few weeks and help to clear most of them before Cornwall and South Wales begin lifting their early crops in the first or second week of June. Avoidance of too much overlap should therefore help stabilise prices.

Later in June and early July, the East Anglian crop should be ready to start lifting as South Western crops start to come out. Normally it doesn't work so neatly and there is often a glut of earlies as Cornwall, Devon and East Anglia deliver to the markets together. East Anglian crops were hit by severe frosts on April 28 and 29, although most have now recovered, they will be 10-14 days later than usual. In the short term the early potato outlook is encouraging for the housewife and potentially profitable for the grower as well.

There remains the question of the main crop. Latest unofficial estimates by the Potato Marketing Board indicate that plantings this year are around 480,000 acres—about 10 per cent more than last year but still 20,000 acres short of the declared target of 500,000. It can be assumed that farmers found the guaranteed price of £40 per ton too unattractive, and/or the price of seed was too high, and/or the big increase in acreage which some predicted does not seem to have occurred.

On the other hand, potatoes which have been planted have gone into ideal seed beds at the right time and night promising. As yet, the crop has not suffered from the drought.

Main-crop potatoes reach a peak water need in late June and early July when the tubers start to develop. It is then that plenty of moisture is needed around the roots and plenty of water table in most potato growing areas is not adequate. Without a substantial quantity of rain soon, yields of maincrop potatoes could be almost as disastrous as last year. With it, yields could be some of the best we've ever known.

## More Indian jute mills face closure

BY OUR COMMODITIES STAFF

TWELVE JUTE mills have already closed and several more are tottering on the brink of closure, Mr. G. Bangur, Chairman of the Indian Jute Mills Association, said here.

Reduced overseas demand and ever rising costs plus severe financial stringency could be the cause of closure of more mills in the next few weeks.

Jute Mills has confirmed Mr. Bangur's analysis of the causes of the present crisis. The IJMA chairman complains that the Government policy combined with the most credit squeeze ever has starved the mills of working capital that they are now able to get only 50 per cent of bank support they received before.

At the same time the extremely short crop in 1977-78 together with a meagre carry-over stock has been pushing up local fibre prices to record levels well beyond the reach of many mills. In fact Mr. Bangur fears that unless adequate imports arrive to replace the stocks which are being used up, the supply of raw jute in June, July and August, and they might well have to close.

## COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COFFEE—Last ground on the London Exchange. Values fell on the price of the coffee futures market. Forward metal opened at \$3.50 and fell to \$3.40. The market was quiet, with only a few transactions. The market was quiet, with only a few transactions.

## FREIGHTS

DRY CARGO—North American grain chartering failed to show any marked expansion, but cargoes were booked from the Lakes to Europe and South America. The market was quiet, with only a few transactions.

## COFFEE

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## SUGAR

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## WOOL FUTURES

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## PRICE CHANGES

PRICE CHANGES—Last ground on the London Exchange. Values fell on the price of the price changes market. Forward metal opened at \$3.50 and fell to \$3.40. The market was quiet, with only a few transactions.

## U.S. Markets

U.S. MARKETS—Last ground on the London Exchange. Values fell on the price of the U.S. markets market. Forward metal opened at \$3.50 and fell to \$3.40. The market was quiet, with only a few transactions.

## Gains in soybeans and meal

SOYBEANS AND MEAL—Last ground on the London Exchange. Values fell on the price of the soybeans and meal market. Forward metal opened at \$3.50 and fell to \$3.40. The market was quiet, with only a few transactions.

## INVESTMENT OPPORTUNITY

INVESTMENT OPPORTUNITY—Last ground on the London Exchange. Values fell on the price of the investment opportunity market. Forward metal opened at \$3.50 and fell to \$3.40. The market was quiet, with only a few transactions.

## COMPANY NOTICES

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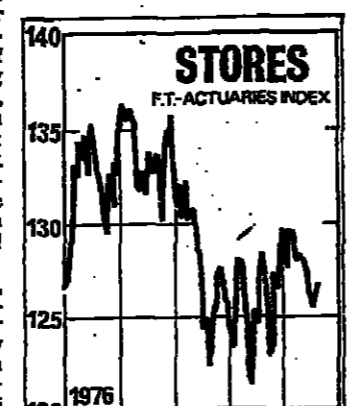
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## Better day in markets under the lead of Gilt-edged

### Share index up 4.2 at 405.2—Insurance Brokers good

3	15.04	15.07	14.82	14.71	17.18
7	9.86	9.89	10.01	10.08	8.80
6	5.258	5.700	5.802	5.270	8.810
0	59.75	50.96	60.61	47.99	139.73
8	13.961	13.974	15.088	12.168	26.876

44.5 Noon 404.9 1 p.m. 405.4  
 5.2 3 p.m. 401.8  
 dex 02-248 000.



S.E. ACTIVITY			
Continuation of		May 18	May 17
Low			
49.15	daily	172.7	171.5
50.77	inst. bldg.	174.0	180.2
50.55	inst. bldg.	57.0	56.1
51.02	speculative	121.8	127.7
59.4	daily bldg.	180.2	180.8
59.50	inst. bldg.	128.1	128.1
45.6	speculative	61.8	63.9
26.17.11	Total	126.1	128.7

It has now fallen 20.4 over the last five trading days.

A notable exception was provided by Randfontein, which rose 1 to £171, on further consideration of its uranium potential.

Overseas-based Finance generally mirrored Golds with a exception of Anglo American, which rose 5 to 310p helped

In the London-based Iron Selection Trust gained 3 to 5 on further considerations of the company's holding in Brit Smelter Constructions which signed a contract for the construction and management of a 500-ton aluminium smelter, to be built in Dubai. RTZ improved 3 to 20 in front of to-day's meeting.

line with the metal price. Copper were barely changed. Australians continued to lack a deep trend in line with overnight markets. Poseidon rose a further 5 to a year's peak of 235p. Peko-Wallsend lost 10 to 605p. Elsewhere, Laurasia fell 32p. In front of the news of company's Canadian uranium.

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS								Tuesday, May 18, 1976					Highs and Lows Index																
GROUPS & SUB-SECTIONS								Index No.		Day's Change %		Est. Earnings Yield % (Mar. 1976)		Gross Div. Yield % (Mar. 1976)		P/E Ratio (Mar. 1976)		P/B Ratio (Mar. 1976)		Index No.		Index No.		Index No.		Index No.		Year ago (approx.)	
Figures in parentheses show number of stocks per section.																													

[illegible]

	May 16	May 17	May 18	May 19	May 20	May 21	Year ago
Government Secs.	63.61	63.21	63.39	63.48	63.88	63.71	97.82
Fixed Interest	66.35	66.92	63.54	63.33	63.40	63.16	97.24
Industrial Ordinary	408.2	401.0*	407.2	408.5	412.9	417.2	366.8
Gold Mines	171.6	174.9	177.7	182.8	184.1	192.8	408.7
Ord. Div. Yield	5.31	5.36	5.19	5.17	5.11	5.07	5.04
Earnings/Share Multiple	15.19	15.33	15.04	15.07	14.82	14.71	17.19
P/E Ratio—non utilities	9.76	9.67	9.66	9.69	10.01	10.09	8.82
Debt/Capital	5.587	5.606	5.536	5.700	5.804	5.770	5.813
Equity turnover %	—	46.40	50.75	50.96	50.61	47.99	130.13
Equity turnover total	—	13.486	13.961	13.974	13.088	12.162	96.996

10 a.m. 407.4. 11 a.m. 404.6. Noon 404.9. 1 p.m. 403.6.  
2 p.m. 403.5. 3 p.m. 404.0.  
Latest Index 02-248-0026.

(2) Based on 32 per cent corporation tax. (3) Nil = 0.00.  
Basis 100 Govt. Secs. 12-10-55. Fixed inv. 1929. Ind. Ord. 1-7-54. Gold

HIGHS AND LOWS					S.E. ACTIVITY	
	1946		Strike Low (444646)		May 18	May 17
	High	Low	High	Low		
Govt. Secs.	85.41	80.19	127.4	94.12	174.7	177.3
	261.1/10	20.776	127.4	94.12	174.7	177.3
Fixed Int.	66.43	55.16	150.5	50.54	173.9	68.1
	57.78	21.146	251.75	31.112	182.1	187.6
Ind. Ord.	490.9	361.19	59.5	59.5	180.2	189.6
	12.78	12.78	59.5	59.5	180.2	189.6
Gold Miners	246.9	140.1	442.5	45.5	61.5	53.9
	21.18	21.18	442.5	45.5	186.1	186.1

... presented selling into dealers. The Gold 20-

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**RISES AND FALLS  
YESTERDAY**

British Corpor.	Foods Dom.	and	the Dow Jones
			35
			8
			4
			4

Foreign	28	294	1.1
Industrial	51	319	1
Financial and Prop.	5	7	
Oil	2	4	
Plantation	19	36	
Mines	15	9	
Recent Issues			
<b>Totals</b>	<b>485</b>	<b>455</b>	

RATES	
Allied Irish Banks Ltd.	9 1/4
American Express Bank	9 1/2
Anglo-Portuguese Bank	9 1/2
Henry Ansbacher	10 1/4
Banco de Bilbao	9 1/4
Banco de Jerez	10 1/4
Bank of Cyprus	10 1/4
Bank of N.S.W.	9 1/2
Banque du Rhone SA	10 1/4

Barclays Bank.....	94
Barnett, Christie Ltd.	10
Bremar Holdings Ltd.	10
Brit. Bank of Mid. East	94
■ Brown Shipley .....	94
Canada Permanent AFT	94
Cayzer, Bowater Co. Ltd.	10
Cedar Holdings .....	10
■ Charterhouse Japhet ..	10
C. E. Coates .....	104

Consolidated Credits.....	11
Co-operative Bank.....	9
Corinthian Securities.....	9
Credit Lyonnais.....	9
G. R. Dawes.....	10
Duboff Brothers.....	11
Duncan Lawrie.....	9
English Transcont.....	11
First London Secs.....	9
■ Antony Gibbs.....	9

Goode Durrant Trust .....	10
Greyhound Guaranty .....	9
Grindlays Bank .....	9
■ Guinness Mahon .....	9
■ Hambros Bank .....	9
Hawtin & Partners .....	13
■ Hill Samuel .....	8 1/2
C. Hoare & Co. ....	11
Julian S. Hodge .....	10
Hongkong & Shanghai ..	12
Industrial Bank of Scot ..	11

Keyser Ullmann .....	19
Knowsley & Co. Ltd. ...	11
Lloyds Bank .....	4
London & European ...	11
London Mercantile .....	16
Midland Bank .....	1
■ Samuel Montagu .....	5
■ Morgan Grenfell .....	5
National Westminster .....	1
Northern Comm. Trust .....	1
Norwich General Trust .....	1

Portman Guaranty	1
P. S. Nelson & Co.	1
Rosenminster Accepts	1
Schlesinger Limited	1
E. S. Schwab	1
Security Trust Co. Ltd.	1
Shenley Trust	1
Standard Chartered	1
Trade Development Bk.	1
Twentieth Century Bk.	1

- Members of the Accepting Committee:
  - 7-day deposits 54%, 1 month 55%
  - 7-day deposits on sums of £10,000 under £25,000 up to 125,000 61% over 125,000 61%
  - Demand deposit 7%

**CORAL INDEX**  
Close 403-410

**I.G. INDEX--01-351 348**

**INSURANCE BARR**  
**RATES**

† Atlantic Assurance ... 1  
† Cannon Assurance ... 1  
† Address shown under Insurance

Property Bond table.

فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

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فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

فكروا في ما كنتم تعملون

# FT SHARE INFORMATION SERVICE

## HOTELS-CORP.

**\*\*BRITISH FUNDS**[illegible]

## CANADIANS

[illegible]**BUILDING INDUSTRY—Continued**

High	Low	Stock	Price	+ or -	Day Net	Yr %	5 Yr %	P/E
136	85	St. Thomas	99	0	1.81	8.8		
137	85	St. Thomas	99	0	1.81	8.8		
138	85	St. Thomas	99	0	1.81	8.8		
139	85	St. Thomas	99	0	1.81	8.8		
140	85	St. Thomas	99	0	1.81	8.8		
141	85	St. Thomas	99	0	1.81	8.8		
142	85	St. Thomas	99	0	1.81	8.8		
143	85	St. Thomas	99	0	1.81	8.8		
144	85	St. Thomas	99	0	1.81	8.8		
145	85	St. Thomas	99	0	1.81	8.8		
146	85	St. Thomas	99	0	1.81	8.8		
147	85	St. Thomas	99	0	1.81	8.8		
148	85	St. Thomas	99	0	1.81	8.8		
149	85	St. Thomas	99	0	1.81	8.8		
150	85	St. Thomas	99	0	1.81	8.8		
151	85	St. Thomas	99	0	1.81	8.8		
152	85	St. Thomas	99	0	1.81	8.8		
153	85	St. Thomas	99	0	1.81	8.8		
154	85	St. Thomas	99	0	1.81	8.8		
155	85	St. Thomas	99	0	1.81	8.8		
156	85	St. Thomas	99	0	1.81	8.8		
157	85	St. Thomas	99	0	1.81	8.8		
158	85	St. Thomas	99	0	1.81	8.8		
159	85	St. Thomas	99	0	1.81	8.8		
160	85	St. Thomas	99	0	1.81	8.8		
161	85	St. Thomas	99	0	1.81	8.8		
162	85	St. Thomas	99	0	1.81	8.8		
163	85	St. Thomas	99	0	1.81	8.8		
164	85	St. Thomas	99	0	1.81	8.8		
165	85	St. Thomas	99	0	1.81	8.8		
166	85	St. Thomas	99	0	1.81	8.8		
167	85	St. Thomas	99	0	1.81	8.8		
168	85	St. Thomas	99	0	1.81	8.8		
169	85	St. Thomas	99	0	1.81	8.8		
170	85	St. Thomas	99	0	1.81	8.8		
171	85	St. Thomas	99	0	1.81	8.8		
172	85	St. Thomas	99	0	1.81	8.8		
173	85	St. Thomas	99	0	1.81	8.8		
174	85	St. Thomas	99	0	1.81	8.8		
175	85	St. Thomas	99	0	1.81	8.8		
176	85	St. Thomas	99	0	1.81	8.8		
177	85	St. Thomas	99	0	1.81	8.8		
178	85	St. Thomas	99	0	1.81	8.8		
179	85	St. Thomas	99	0	1.81	8.8		
180	85	St. Thomas	99	0	1.81	8.8		
181	85	St. Thomas	99	0	1.81	8.8		
182	85	St. Thomas	99	0	1.81	8.8		
183	85	St. Thomas	99	0	1.81	8.8		
184	85	St. Thomas	99	0	1.81	8.8		
185	85	St. Thomas	99	0	1.81	8.8		
186	85	St. Thomas	99	0	1.81	8.8		
187	85	St. Thomas	99	0	1.81	8.8		
188	85	St. Thomas	99	0	1.81	8.8		
189	85	St. Thomas	99	0	1.81	8.8		
190	85	St. Thomas	99	0	1.81	8.8		
191	85	St. Thomas	99	0	1.81	8.8		
192	85	St. Thomas	99	0	1.81	8.8		
193	85	St. Thomas	99	0	1.81	8.8		
194	85	St. Thomas	99	0	1.81	8.8		
195	85	St. Thomas	99	0	1.81	8.8		

**DRAPERY AND STORES—Continued**[illegible]

## ENGINEERING—Continued

[illegible]**†BANKS AND HIRE PURCHASE**[illegible]

## ELECTRICAL AND RADIO

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## BEERS, WINES AND SPIRITS

77	40	25	Allied Press	55	+13	2	1.9	7.6	10.0
78	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
79	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
80	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
81	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
82	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
83	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
84	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
85	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
86	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
87	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
88	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
89	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
90	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
91	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
92	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
93	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
94	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
95	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
96	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
97	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
98	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
99	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
100	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
101	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
102	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
103	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
104	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
105	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
106	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
107	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
108	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
109	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
110	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
111	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
112	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
113	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
114	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
115	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
116	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
117	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
118	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
119	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
120	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
121	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
122	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
123	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
124	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
125	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
126	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
127	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
128	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
129	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
130	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
131	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
132	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
133	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
134	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
135	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
136	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
137	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
138	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
139	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
140	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
141	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
142	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
143	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
144	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
145	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
146	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
147	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
148	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
149	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
150	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
151	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
152	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
153	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
154	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
155	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
156	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
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158	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
159	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
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162	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
163	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
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166	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
167	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
168	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
169	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
170	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
171	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
172	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
173	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
174	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
175	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
176	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
177	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
178	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
179	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
180	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
181	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
182	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
183	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
184	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
185	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
186	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
187	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
188	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
189	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
190	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
191	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
192	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
193	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
194	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
195	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
196	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
197	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
198	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
199	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5
200	40	25	Amul. Dist. P. 10p	26		3.32	3.94	3.4	11.5

## ENGINEERING, MACHINE TOOLS

82	290	67	135	A.P.C. Machinery	77	275	3.5	5.7	5.7
83	290	67	135	A.P.C. Ship	78	9.29	3.4	5.1	7.3
84	290	67	135	Acorn (Socra.)	66mc	14.94	2.8	4.2	10.3
85	290	67	135	Doi	71	14.94	2.8	4.2	10.3
86	290	67	135	Doi	71	14.94	2.8	4.2	10.3
87	290	67	135	Doi	71	14.94	2.8	4.2	10.3
88	290	67	135	Doi	71	14.94	2.8	4.2	10.3
89	290	67	135	Doi	71	14.94	2.8	4.2	10.3
90	290	67	135	Doi	71	14.94	2.8	4.2	10.3
91	290	67	135	Doi	71	14.94	2.8	4.2	10.3
92	290	67	135	Doi	71	14.94	2.8	4.2	10.3
93	290	67	135	Doi	71	14.94	2.8	4.2	10.3
94	290	67	135	Doi	71	14.94	2.8	4.2	10.3
95	290	67	135	Doi	71	14.94	2.8	4.2	10.3
96	290	67	135	Doi	71	14.94	2.8	4.2	10.3
97	290	67	135	Doi	71	14.94	2.8	4.2	10.3
98	290	67	135	Doi	71	14.94	2.8	4.2	10.3
99	290	67	135	Doi	71	14.94	2.8	4.2	10.3
100	290	67	135	Doi	71	14.94	2.8	4.2	10.3
101	290	67	135	Doi	71	14.94	2.8	4.2	10.3
102	290	67	135	Doi	71	14.94	2.8	4.2	10.3
103	290	67	135	Doi	71	14.94	2.8	4.2	10.3
104	290	67	135	Doi	71	14.94	2.8	4.2	10.3
105	290	67	135	Doi	71	14.94	2.8	4.2	10.3
106	290	67	135	Doi	71	14.94	2.8	4.2	10.3
107	290	67	135	Doi	71	14.94	2.8	4.2	10.3
108	290	67	135	Doi	71	14.94	2.8	4.2	10.3
109	290	67	135	Doi	71	14.94	2.8	4.2	10.3
110	290	67	135	Doi	71	14.94	2.8	4.2	10.3
111	290	67	135	Doi	71	14.94	2.8	4.2	10.3
112	290	67	135	Doi	71	14.94	2.8	4.2	10.3
113	290	67	135	Doi	71	14.94	2.8	4.2	10.3
114	290	67	135	Doi	71	14.94	2.8	4.2	10.3
115	290	67	135	Doi	71	14.94	2.8	4.2	10.3
116	290	67	135	Doi	71	14.94	2.8	4.2	10.3
117	290	67	135	Doi	71	14.94	2.8	4.2	10.3
118	290	67	135	Doi	71	14.94	2.8	4.2	10.3
119	290	67	135	Doi	71	14.94	2.8	4.2	10.3
120	290	67	135	Doi	71	14.94	2.8	4.2	10.3
121	290	67	135	Doi	71	14.94	2.8	4.2	10.3
122	290	67	135	Doi	71	14.94	2.8	4.2	10.3
123	290	67	135	Doi	71	14.94	2.8	4.2	10.3
124	290	67	135	Doi	71	14.94	2.8	4.2	10.3
125	290	67	135	Doi	71	14.94	2.8	4.2	10.3
126	290	67	135	Doi	71	14.94	2.8	4.2	10.3
127	290	67	135	Doi	71	14.94	2.8	4.2	10.3
128	290	67	135	Doi	71	14.94	2.8	4.2	10.3
129	290	67	135	Doi	71	14.94	2.8	4.2	10.3
130	290	67	135	Doi	71	14.94	2.8	4.2	10.3
131	290	67	135	Doi	71	14.94	2.8	4.2	10.3
132	290	67	135	Doi	71	14.94	2.8	4.2	10.3
133	290	67	135	Doi	71	14.94	2.8	4.2	10.3
134	290	67	135	Doi	71	14.94	2.8	4.2	10.3
135	290	67	135	Doi	71	14.94	2.8	4.2	10.3
136	290	67	135	Doi	71	14.94	2.8	4.2	10.3
137	290	67	135	Doi	71	14.94	2.8	4.2	10.3
138	290	67	135	Doi	71	14.94	2.8	4.2	10.3
139	290	67	135	Doi	71	14.94	2.8	4.2	10.3
140	290	67	135	Doi	71	14.94	2.8	4.2	10.3
141	290	67	135	Doi	71	14.94	2.8	4.2	10.3
142	290	67	135	Doi	71	14.94	2.8	4.2	10.3
143	290	67	135	Doi	71	14.94	2.8	4.2	10.3
144	290	67	135	Doi	71	14.94	2.8	4.2	10.3
145	290	67	135	Doi	71	14.94	2.8	4.2	10.3
146	290	67	135	Doi	71	14.94	2.8	4.2	10.3
147	290	67	135	Doi	71	14.94	2.8	4.2	10.3
148	290	67	135	Doi	71	14.94	2.8	4.2	10.3
149	290	67	135	Doi	71	14.94	2.8	4.2	10.3
150	290	67	135	Doi	71	14.94	2.8	4.2	10.3
151	290	67	135	Doi	71	14.94	2.8	4.2	10.3
152	290	67	135	Doi	71	14.94	2.8	4.2	10.3
153	290	67	135	Doi	71	14.94	2.8	4.2	10.3
154	290	67	135	Doi	71	14.94	2.8	4.2	10.3
155	290	67	135	Doi	71	14.94	2.8	4.2	10.3
156	290	67	135	Doi	71	14.94	2.8	4.2	10.3
157	290	67	135	Doi	71	14.94	2.8	4.2	10.3
158	290	67	135	Doi	71	14.94	2.8	4.2	10.3
159	290	67	135	Doi	71	14.94	2.8	4.2	10.3
160	290	67	135	Doi	71	14.94	2.8	4.2	10.3
161	290	67	135	Doi	71	14.94	2.8	4.2	10.3
162	290	67	135	Doi	71	14.94	2.8	4.2	10.3
163	290	67	135	Doi	71	14.94	2.8	4.2	10.3
164	290	67	135	Doi	71	14.94	2.8	4.2	10.3
165	290	67	135	Doi	71	14.94	2.8	4.2	10.3
166	290	67	135	Doi	71	14.94	2.8	4.2	10.3
167	290	67	135	Doi	71	14.94	2.8	4.2	10.3
168	290	67	135	Doi	71	14.94	2.8	4.2	10.3
169	290	67	135	Doi	71	14.94	2.8	4.2	10.3
170	290	67	135	Doi	71	14.94	2.8	4.2	10.3
171	290	67	135	Doi	71	14.94	2.8	4.2	10.3
172	290	67	135	Doi	71	14.94	2.8	4.2	10.3
173	290	67	135	Doi	71	14.94	2.8	4.2	10.3
174	290	67	135	Doi	71	14.94	2.8	4.2	10.3
175	290	67	135	Doi	71	14.94	2.8	4.2	10.3
176	290	67	135	Doi	71	14.94	2.8	4.2	10.3
177	290	67	135	Doi	71	14.94	2.8	4.2	10.3
178	290	67	135	Doi	71	14.94	2.8	4.2	10.3
179	290	67	135	Doi	71	14.94	2.8	4.2	10.3
180	290	67	135	Doi	71	14.94	2.8	4.2	10.3
181	290	67	135	Doi	71	14.94	2.8	4.2	10.3
182	290	67	135	Doi	71	14.94	2.8	4.2	10.3
183	290	67	135	Doi	71	14.94	2.8	4.2	10.3
184	290	67	135	Doi	71	14.94	2.8	4.2	10.3
185	290	67	135	Doi	71	14.94	2.8	4.2	10.3
186	290	67	135	Doi	71	14.94	2.8	4.2	10.3
187	290	67	135	Doi	71	14.94	2.8	4.2	10.3
188	290	67	135	Doi	71	14.94	2.8	4.2	10.3
189	290	67	135	Doi	71	14.94	2.8	4.2	10.3
190	290	67	135	Doi	71	14.94	2.8	4.2	10.3
191	290	67	135	Doi	71	14.94	2.8	4.2	10.3
192	290	67	135	Doi	71	14.94	2.8	4.2	10.3
193	290	67	135	Doi	71	14.94	2.8	4.2	10.3
194	290	67	135	Doi	71	14.94	2.8	4.2	10.3
195	290	67	135	Doi	71	14.94	2.8	4.2	10.3
196	290	67	135	Doi	71	14.94	2.8	4.2	10.3
197	290	67	135	Doi	71	14.94	2.8	4.2	10.3
198	290	67	135	Doi	71	14.94	2.8	4.2	10.3
199	290	67	135	Doi	71	14.94	2.8	4.2	10.3
200	290	67	135	Doi	71	14.94	2.8	4.2	10.3

### CINEMAS, THEATRES AND TV

221	95	Anglia TV "A"	125	-1	6.8	1.9	9.2	8.7
80	64	Ass. Tele "A"	74	+1.9	13.9	1.6	8.1	11.1
26	28	Granpa's "A" Mop.	23		20.5	-	2.3	
24	72	Wrd Wdy 43op.	122					34.8
77	45	B.T.V.	69		14.25	1.9	9.8	8.3
68	62	Realt. TV Prof. Cl.	67		5.95	198	13.7	
34	18	Scot. TV "A" Mop.	28		1.3	5.0	7.1	4.5
42	30	Tridn TV "A" Mop.	36		2.11	1.8	8.9	16.5
20	33	Usher TV "A"	408		13.4	1.6	11.9	11.1
21	13	Westward TV Mop	189	ad	61.41	1.9	11.7	14.1

42	33-2	Birmingham, Ala.	83	17	183	21	87
4	47	Birmingham, Ala.	59	-----	13.56	—	9.3
3	55	Birmingham, Ala.	49	-----	5.0	26	17.2

[illegible]**FOOD, GROCERIES, ETC.**

22	Adams Foods Ltd.	11.15	2.5	2.5	11.2
23	Algonac Steel D. Div.	130	1.5	1.5	131
24	Aluminum Co. of Can.	63.5	1.5	1.5	65
25	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
26	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
27	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
28	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
29	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
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89	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
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93	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
94	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
95	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
96	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
97	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
98	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
99	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4
100	Am. Bk. Fds. Inc.	11.99	4.2	4.2	12.4

## DUSTY, TIMBER & ROADS

[illegible]

## AMERICANS

[illegible]

## HOTELS AND CATERERS

101 <sub>2</sub>	6	Add Int. 10p	101 <sub>2</sub>	—	—	—
537	273.20	Brent (J. F.) 100	273.20	—	1.9	—
50	57	Barcl Waker 50	46	0.94	3.2	15.5
261 <sub>2</sub>	18	Centr Hotels 10p	20	50.96	2.8	7.4
36	79	C.C.H. Invests	32	—	—	—
83	75	De Vera Hotels	72nd	+2	—	7.4
88	67	Gold Mt. 50p	69	1.65	2.1	7.7

Conversion factor 0.6510 (0.6482)

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## British £16m. ship order for Glasgow

BY JOHN WYLES, SHIPPING CORRESPONDENT

GOVERNMENT hopes that British shipowners will place sufficient orders this year to avert a jobs crisis in shipyards. A £16m. order for two cargo liners has been placed by Furness Withy with Scott Lithgow, the Port Glasgow shipbuilder.

This is the largest order placed with a home yard this year by a British owner. It is only a fraction of the business required to guarantee employment across the industry until 1978, but it comes when many yards are reporting an encouraging revival of inquiries from British owners.

Another major shipping company, Ocean Transport and Trading, is understood to be seeking tenders for half a dozen vessels including bulk carriers and cargo liners. In addition to the contract announced yesterday, Furness Withy is discussing with Swan Hunter a possible order for a gas carrier.

Traditionally, 35 per cent. of British owners' orders have been enough to fill more than 70 per cent. of U.K. yard capacity. But British owners placed only 6 per cent. of orders with domestic yards last year, and in the last few months, the Government has worked hard to persuade owners to back British shipbuilding.

While Government pressure may be prompting some response, the falling pound may be as important a factor by making British yards more price competitive. Nevertheless, further financial inducements may be necessary to increase the volume

of orders from British shipping, and the Government is considering alternatives.

Scott Lithgow managed to win the Furness Withy order against competition from a large number of yards at home and abroad. Greeted by Mr. A. Ross Belch, Scott Lithgow's managing director, as "a sign of confidence in British shipbuilding," yesterday's announcement comes less than a week after Govan Shipbuilders' capture of a £50m. Kuwaiti six-ships order for its Upper Clyde yards.

### Breathing space

The Furness Withy ships, 18,500 deadweight tons and designed to carry containers as well as bulk cargo, give Scott Lithgow valuable breathing space while the company waits for a decision on whether to go ahead with a second large oil tanker ordered by the financially troubled Maritime Fruit Carriers.

Work on this tanker has been postponed because of Maritime's cash crisis and the Furness Withy ships will fill the gap in the building programme. The two ships are due for delivery at the end of 1977 and early 1978.

Wales's only shipbuilding firm, Hancocks Shipbuilding Company, disclosed yesterday that it had won a £2.5m. order from a Norwegian shipping company for two 1,500 dwt cargo boats. The contract contains options for a further ten similar ships to be built over the next four years for about £15m.

Shipyards—Sweden's Way, Page 13

## EMI agrees to buy British Lion Films

BY ARTHUR SANDLES

EMI is expanding its film interests and tidying up questions surrounding its film management succession by buying British Lion Films. As a result of the deal, the two men who own and run British Lion, Mr. Michael Deeley and Mr. Barry Spinkings, will join EMI—clearly marked as heirs apparent to Sir Bernard Delfont and Mr. Nat Cohen.

Sir Bernard heads EMI's group entertainment activities. He is in his 80s. Mr. Cohen (70) is responsible for EMI's successful film production activities.

British Lion Films was part of Lion International until a year ago. It is a film production and distribution company which was bought by Spinkings and Deeley from Lion International for a little over £1.2m. At the time, the two men were running the company for Lion.

Before and since that acquisition, which did not include the Shepperton studios, British Lion has been remarkably successful. At the moment, its latest film, "The Man Who Fell to Earth," starring the pop singer David Bowie, is proving a considerable money-spinner.

EMI's need to secure long-term management succession has been a major factor in the deal.

## Government will not act on BP's Italian pay-out

BY JOHN HUNT

MR. JOEL BARNETT, Chief Secretary to the Treasury, made it clear yesterday that the Government intends to take no direct action over the payment by British Petroleum and Shell of £3.3m. to Italian political parties over a five-year period.

A major controversy blew up a month ago when Press and television disclosed that the payments had been made, and the two companies later confirmed this. But Mr. Barnett indicated in a Commons statement yesterday that so far as the Government is concerned the incident is closed.

However, the Government has given a rather vague promise to initiate discussions through such organisations as the OECD and the United Nations, so that international action can be taken against the evil of bribery and corruption "wherever it is found."

This failed to mollify Labour Left-wingers, who unsuccessfully attempted some weeks ago to have the matter investigated by the Commons Select Committee on Nationalised Industries.

The Government statement drew a predictable outburst from members of the Tribune Group. Mrs. Audrey Wise, Labour MP for Coventry South-West, told Mr. Barnett that it was "feeble, inadequate and unacceptable."

Many MPs on both sides of the House were surprised at the tolerant attitude displayed by the Government. The Chief Secretary firmly maintained that

added to its interest in British Lion, whose main assets are its film stock and management ability.

Most of the main participants in this transaction have to the Cannes film festival after reaching agreement on Monday afternoon, immediately before EMI's own royal film premiere for "Acas High." There are still some "loose ends" to be tied up in the deal.

An official statement from EMI last night said: "Mr. Michael Deeley and Mr. Barry Spinkings will shortly be joining EMI and will be appointed joint managing directors of EMI Film Distributors of which Mr. Nat Cohen is chairman and chief executive."

"They will also join the board of EMI Film and Theatre Corporation (chairman and chief executive Sir Bernard Delfont)."

Mr. Cohen commented: "Our company has grown consistently over the years, and we are confident that the management and the manpower of British Lion will enable EMI to accelerate its film-making and distribution activities."

EMI has agreed to acquire, subject to contract, the shares in British Lion Films held by Mr. Deeley and Mr. Spinkings.

Mr. Barnett said: "The Government will not take any direct action over the payment by British Petroleum and Shell of £3.3m. to Italian political parties over a five-year period."

He said that the Government would be most concerned if any company made secret political payments in the U.K. and under British legislation such payments would have to be recorded in the company's annual report. However, the chairman of BP declared that his company had never made political contributions in Britain, and Mr. Barnett welcomed this statement.

The Government was ready to root out bribery and corruption and was anxious that all British companies should conduct their overseas business within the law of their host-countries.

"Nevertheless, the high standards of business practice that we expect from British companies do not apply everywhere, and the main responsibility for deciding what is unacceptable and for dealing with it must rest with the host-countries themselves," he concluded.

Parliament Page 8

## Blastfurnacemen seek big rise to man new plant

BY IAN HARGREAVES, LABOUR STAFF

By Ian Hargreaves, Lab. Staff THE BRITISH Steel Corporation faces a union pay demand for manning a huge blast furnace being built at Redcar, Teesside. The initial demand is for payments well above those conceded five months ago after a long and bitter dispute to blastfurnacemen at Llanwern, South Wales.

The claim has been put into the talks by the National Union of Blastfurnacemen after eight months bargaining on subsidiary matters, because the union believes that an early agreement on a top cash figure is central to the two-year negotiations. The Redcar furnace, with a capacity of 10,000 tonnes of molten iron a day, will be twice as big as Llanwern. It is expected to be completed within two years.

The aim of such early negotiations for work on the furnace, which was costed at £50m. in 1974, is to avoid a repetition of the disastrous confrontation at Llanwern last year, when lighting of a new furnace was delayed nearly 12 months in a dispute over pay which brought the NUB to the brink of a national strike.

Mr. Nicholas Levey, the Midlands-based district secretary of the union, who is handling the day-to-day negotiations, said that agreement with the Cor-

### Bitter memories

Probably because of bitter memories over what it considers the ill-effects of publicity in the Llanwern dispute, the Corporation is saying nothing beyond confirming that preliminary talks are in progress.

The union has not disclosed figures either, but Mr. Levey said he was looking for "an equitable and realistic wage structure which will give us a period of stability for two to three years."

The indications are that so far the talks have gone well. The union has accepted without demur proposals which in some

areas, such as smelter production, will mean cuts of more than two-thirds in manning levels.

One of the few sticking points for the union, other than a pay figure for the top men, is the question of whether men from other unions will be retained to work on the new plant.

The NUB aims to maintain its overall level of employment on South Teesside at about 2,500, a figure which could still be threatened in the short term by the economic stemming from the agreement at national level in January between the Corporation and the steel unions.

The Redcar furnace is part of a £1,500m. development in an area which by 1984 may lift the Redcar-Lackenny complex share of BSC's total liquid steel output to nearly 12m. tonnes a year, a third of the projected total.

BSC employs about 16,000 men on South Teesside and expects the number to increase to 23,000 by the time the project is complete. As at Llanwern a year ago, the stakes are high for both sides. For BSC the issue is smooth progress to a technology enabling it to compete with West Germany and Japan. For the blastfurnacemen the prize is an approach to pay parity with the industry's elite, the steelmakers.

## Walker warns Tories against divisive industrial strategy

BY PHILIP RAWSTORNE

MR. PETER WALKER, former Industry Secretary, last night warned the Conservative Party that it was in danger of adopting an industrial strategy that would "divide the nation."

The party appeared to be moving towards a policy of tough restrictions on the money supply combined with a return to free collective bargaining after reducing trade union power by abolishing social security payments to strikers' families and changing the law on picketing.

No Conservative Government that seriously wanted to establish good relations with the unions could follow such a policy, Mr. Walker told the Tory Reform Group in London.

"The election, including millions of trade unionists who normally vote Conservative, would be wary of such a policy," Mr. Walker said of the Conservatives, who were already at a considerable disadvantage because of their lack of a consistent approach to the question of incomes policy.

Because of their reluctance to accept its immediate necessity, the Conservatives were failing to produce constructive proposals for the type of industrial society in which a return could be made to free collective bargaining based upon a new sense of responsibility within industry itself.

The former Cabinet Minister urged the party to unite on a programme based on four main policies:

1—The establishment of a Parliament of industry with members from all sections of industrial life publicly debating the major economic and industrial issues.

2—Secret postal ballots for the election of trade union officials.

3—A scheme for introducing, over a three-year period, a form of worker participation in all companies employing over 250 people.

4—A profit-sharing scheme, with tax free payments to employees every three years from profits deducted from Corporation Tax.

Mr. Walker welcomed an attempt by Sir Geoffrey Howe, the "shadow" Chancellor, last

week to clarify the party's position but criticised the emphasis that had been placed on a tight monetary policy. "That does not solve the problems of inflationary wage pressures in the private sector," he said.

"If our party is to place such an overwhelming reliance on monetary policy, it is important that the country should know in greater detail the manner in which that policy would be pursued."

Criticising the "shadow" Cabinet's lack of specific proposals on the reduction of public spending and borrowing, Mr. Walker said the biggest single contributor to the recent increase had been free collective bargaining in the public sector wages.

The suggestion that cash limits on nationalised industries would prevent their paying excessive wages could not succeed if there were a free-for-all in the private sector.

Sir Geoffrey Howe yesterday pledged that a future Conservative government would replace what he called "political taxes" like the Capital Transfer Tax.

Continued from Page 1

## Pay plan wins more union votes

## Sir Henry Benson heads law inquiry

BY PHILIP RAWSTORNE

SIR HENRY BENSON, one of the City's best-known accountants and industrial advisers to the Bank of England, has been appointed chairman of the Royal Commission on Legal Services.

Sir Henry, 66, until last year was senior partner of Coopers and Lybrand, the British and international accounting firm. Over the past few months he has played a key role in preparations for the "equity bank," Equity Capital for Industry, which is about to be formed to channel capital to companies unable to raise it on the market.

A former president of the Institute of Chartered Accountants in England and Wales, he has held a range of public and other appointments. He was for four years until 1968 a member of the Lord Chancellor's Advisory Committee on Legal Aid. He also served as deputy chairman of the Fleet Committee inquiry into the organisation of the

National Coal Board and was appointed a member of the Board of Trade Inspector to investigate the affair of Rolls Razor.

Next month Sir Henry is due to give up his role as first chairman of the International Accounting Standards Committee, which is introducing a degree of harmonisation into accounting practices in different countries.

The Royal Commission, whose other members will be announced soon, is to inquire into the law and practice relating to the provision of legal services in England, Wales and Northern Ireland.

It will consider whether changes are desirable in the public interest, in the structure, organisation, training and regulation of the legal profession.

The inquiry also will cover questions of remuneration and rules which allow only barristers or solicitors to undertake conveyancing and other legal business.

## Chairman of Datastream resigns to end row

BY KEITH LEWIS

MR. DAVID HUNTER JOHNSTON has resigned as chairman of Datastream, which sells computerised statistical information on companies and economies, to resolve the dispute between management and employees.

His resignation is likely to prevent the resignation of more than 100 other Datastream employees, and a spokesman last night stated that the crisis was now over. A full Press statement is expected to-day.

The precise nature of the row has not so far been disclosed, although central to the issue has been the personality clash between Mr. Hunter Johnston and Mr. J. G. Blease, the former chief executive and principal creator of the Datastream scheme who left a week ago.

It is not yet certain whether Mr. Blease will be asked to return, although this is possible; he was not involved in the dis-

cussions that continued throughout yesterday.

Mr. Hunter Johnston, who is 61 and a former merchant banker, said of his resignation, which was handed in on Monday morning, that "this is the best contribution I can make to the restoration of peace and sanity."

He was appointed on May 1, 1975. Negotiations for withdrawal of the other resignations—covering two-thirds of the workforce—are now in progress.

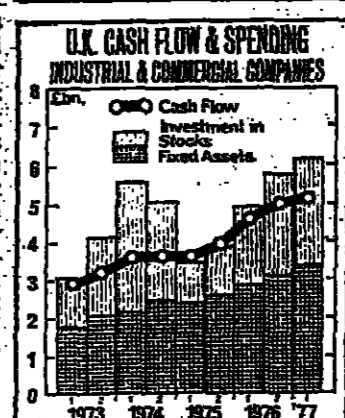
Had the mass resignations gone through, there can be little doubt that this would have been a severe blow to stockbrokers Hoare and Co. Govett, even though Datastream technically ceased to be a subsidiary in March this year.

It would have jeopardised the intended sale of Datastream. At the moment both the broking and computer businesses are owned by the same 70-80 shareholders.

THE LEX COLUMN

## Sales pointers at Debenhams

Index rose 4.2 to 405.2



This market won't stay down for long and both gilts and equities staged useful rallies yesterday. At the long end of the gilt-edged market prices have moved back to the top level and the Government broker could well be bid for more stock this morning. Only about £150m. of the long tap is thought to be left, and in the right conditions this amount could become exhausted quite quickly. Meanwhile a circular from brokers W. Greenwell provides some short-term comfort for equities with a judgment that cash flow plus rights issue proceeds will leave the company sector fairly well placed for the rest of this year. But with re-stocking getting under way in the second half a fairly large cash deficit will appear by the first half of 1977.

At 89p are well supported by 7.7 per cent. yield.

Debenhams

The rejuvenation of Debenhams is evidently continuing into the current year. With pre-tax profits slightly ahead of the forecast at the time of the rights issue last autumn—£13.5m. and after charging some £1.4m. in respect of redundancy costs and losses at the Amerex associate—the sales trend has continued to be buoyant so far in 1976-77.

Department store sales for the 15 weeks to mid-May were up 17 per cent. despite some negative weeks in April which compared with the pre-VAT boom last year, whereas figures for the John Lewis Partnership show only tiny growth. The gamble involved in the massive staff cuts—10,000 workers, a third of the total—was that this might affect customer appeal. Instead Debenhams seems to be benefiting from a better value image and a more aggressive marketing policy, of which the take-over of Hamleys is the latest example. Sales growth was 24 per cent. in the second half last year, and pre-interest margins for the 12 months expanded from 4.8 to 7.3 per cent.

Apart from the £10.6m. rights issue Debenhams has not done much about reducing its level of debt—some £70m. last October—and indeed it is borrowing \$6m. in the U.S. to finance the Miller purchase and will pay for the £4.8m. Hamleys acquisition through a placing of Convertible. But trading profits now cover interest outgoings about three-fold, and as long as the trading news continues to be this good the shares

at 89p are well supported by 7.7 per cent. yield.

### Furness Withy

Following 1975's decline from £24.7m. to £14.1m. pre-tax, Furness Withy expects at least to maintain its profits this year—issue last autumn—£13.5m. and after charging some £1.4m. in respect of redundancy costs and losses at the Amerex associate—the sales trend has continued to be buoyant so far in 1976-77.

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## Weather

London, S.E. Cent. S. E. Cent. N. England, E. Anglia, Midlands Bright, scattered showers. Wind light or moderate. Max. 16C (61F).

Midlands, Channel Is. S.W. and N.W. England, Wales, Lakes, Berdors Bright, showers, heavy at times. Wind W. or S.W., light or moderate. Max. 15C (59F).

I. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland, N.E. England Bright, showers, heavy at times, becoming cloudy. Wind S.W. light or moderate. Max. 14C (57F).

Edinburgh and Dundee, Aberdeen, Moray Firth Sunny, scattered showers. Wind S.W. light or moderate. Max. 14C (57F).

Cent. Highlands, N.E. and N.W. Scotland, Orkney, Shetland Bright, showers, heavy at times. Wind S.W., moderate. Max. 11C (52F).

Outlook: Showers, sunny intervals. Lighting-up: London 21.21, Manchester 21.39, Glasgow 21.58, Belfast 21.59.

BUSINESS CENTRES

Ytd Mid-day Ytd Mid-day

Alexandria 21 72 Luxembourg 21 72

Amsterdam 21 72 Madrid 21 72

Antwerp 21 72 Milan 21 72

Barcelona 21 72 Monaco 21 72

Berlin 21 72 Moscow 21 72